

THE NEW AGE

INCORPORATING "CREDIT POWER."

A WEEKLY REVIEW OF POLITICS, LITERATURE AND ART

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NOTES OF THE WEEK.

The People's "Hansard" Again.†

Our "Notes" of last week on this subject must be qualified in one detail and amplified as to their moral. The detail is this: that not everything spoken on the wireless is printed in *The Listener*. The amplification will now appear.

* * *

It will be remembered that Major Douglas's address was broadcast on Friday, November 30, at 10 p.m. As already stated, it was reproduced in *The Listener* of December 5. About seven hours before Major Douglas came to the microphone on that Friday someone else had been accorded the privilege. From 3.15 until 3.35 in the afternoon Professor John Hilton* was addressing the Unemployed Clubs on the subject of unemployment. His address was No. 9 in the "This and That" series. It did not appear in *The Listener*. Fortunately one of our correspondents who heard the opening of it got his pencil ready and was able to take down some interesting passages. The one most suitable to whet our readers' appetites was as follows:

"You won't find the cause, secret, or cure of unemployment in the banks. If it lay there we'd soon be at it. The secret lies neither in money nor in credit. *Don't get running round and round in any of these social credit schemes.* It only turns you dizzy and makes you utter long tangled sentences that nobody can understand and that don't mean anything anyhow. All that leads nowhere." (Our italics.)

The passage which will satisfy their curiosity to know where the cause, secret, or cure does lie is as follows:

"It lies deep in human nature, in the human mind

† A correspondent reminds us that the front cover of *The Listener* referred to last week bore a line in the top right corner: "Major Douglas on War Causes." We publish this information, although we do not think it impairs the force of our comments.

* Mr. Hilton is Professor of Industrial Relations at Cambridge. He was formerly in the Ministry of Labour. He is believed to have had something to do with the organisation of the Industrial Parliament of 1919.

and spirit and will. Clear away the rust and dirt from every part of our social machinery by all means. Clear the muck and rubbish away and get all the parts in order, so that when the energy and faith are there the machine will work smoothly and at a good speed; but even so, nothing will happen until the spirit revives. What we have lacked, and still lack, is vision, energy, faith, confidence, and courage. The spirit of man is still sick after the debauchery of the Great War. Now and again, in this country and another, there is an improvement; but somewhere else there's a nervous breakdown, and again we all get rattled. We've got to be patient; and we ourselves are patients. It's easy for those who don't suffer to talk about patience and confidence; it isn't easy for you. I know it isn't. But the paralysis will pass away as fear passes away, and there will come a time of prosperity such as we have never yet known."

It is our unpleasant duty to point out to Professor Hilton the fact that the qualities of "vision, energy, faith, confidence and courage" were never so brilliantly manifest in British industrialism as during the "debauchery of the Great War." We are bound to infer that the debauchery he speaks of had no relation to bloodshed and cruelties on the battlefield, but is something he is putting forward as the cause of, or a causal factor in, the sickness of spirit from which the nation is suffering. It must (or we suppose it must) be something relating to the subject of his address, namely, Unemployment. If so, then certainly the war made the problem of unemployment easier by removing a large number of British soldiers from this world to the next. We think we guess right in suggesting that in his mind the debauchery had more to do with the finance of the war than the fatalities of the war. An awful lot of money was borrowed and spent, and so an awful lot of debt has now got to be repaid or maintained as to its service. Undoubtedly the necessity to repay is a satisfying reason for sickness of spirit among debtors—and, since every man and woman in the country is a debtor, Mr. Hilton is correct in referring to

ness as "our" sickness. It is a pity in one way that the vision, energy, faith, confidence and courage made their appearance with, and progressed concurrently with the borrowing and spending of money, for that encourages shallow, materialistic persons to suggest that extravagant and imprudent spending is the cause of a healthy spirit. For example, it is dangerously plausible to suggest that the vision was displayed in planning ahead—the energy, in organising production—the faith, in the uniformity of natural law which led to the translation of scientific designing into concrete and steel—the confidence in money being forthcoming to cover costs—and the courage, in the circumstance that military necessity knew no financial obstruction, and decreed that everything which could be done physically should in fact be done to achieve the common objective of the nation. The danger of dwelling on this is, of course, that the electorate might construe Mr. Hilton's remarks as meaning that either the lending of money caused the attributes in question or that those attributes caused—and perhaps enforced—the lending of the money. The second construction would be particularly undesirable, because nothing is more fallacious than to suppose that where there's an economic way there's a financial way. That is too wide a generalisation: the true and safe one is that when the lenders approve the will they open the way, or, as it may be otherwise stated, economic progress is a matter of accommodating the national will to the lenders' way.

As already hinted, the lenders during the war period did not approve either the will or the way—that is, the real, ultimate, lenders who created and provided the money in the first instance, did not approve. They had to bow before the national emergency and public sentiment. The nominal lenders, of course, did not mind: they borrowed from the banks and lent to the Government at a profitable margin of interest—earning a dividend on the loan of their names, and nothing else. Jealous and shallow people, who resent having been left out of this scheme for rescuing the country, and do not possess that sense of "unity in themselves and with the Spirit" so eloquently described by the Dean of St. Paul's, might be disposed to identify the proceeding with what Professor Hilton terms the "debauchery of the Great War." But profound thinkers will realise that, since all our spirits are still sick of the debauchery at this distance of sixteen years, how much more sick ought to have been the participants at the time—yet there is abundant testimony of the highest order that they were remarkable for their health of spirit and for their courageous readiness to rescue the country some more, and as often as the country would be pleased to ask for some more.

No, the "debauchery" was on the spending side if anywhere. But Professor Hilton seems inclined to detach it from both sides—to sublimate it into the region of pure psychology and to suggest that "our" heaviness of spirit now is the reaction from "our" buoyancy of spirit then—that "we" have too little vision, energy, etc., because we had too much. From which we have to conclude that we've got to come back from the present "too," not all the way to the past "too," but just half way. The remedy is the Reflation of Spirit, the visitation of the Divine Reflatus as the Dean of St. Paul's might say. It is a commonplace among mystics that what is true in one plane is true on all; and they will readily endorse the proposition that when a formula

embodying an alleged truth on one plane can be shown to have been independently applied to an alleged truth on another plane, the antecedent probability of their being true is greatly heightened as also the presumption that the planes themselves are closely related. Thus, when we can speak of Inflation, Deflation and Reflation in respect alike of currency and "spirits" we may reasonably suppose that Reflation is the remedy for our ills, and that its operation in the financial sphere is a function of its operation in the moral sphere. This does not quite fit in with Professor Hilton's mood, for he divorces the remedy from "money or credit altogether"; but there is a possible formula of reconciliation to which he might subscribe, which could be to the effect that if we first purify our desires we shall find that money will lend itself to their fulfilment. As he says, "paralysis will pass away as fear passes away, and there will come a time of prosperity such as we have never known." In other words, the poor will forget the temptation to commit suicide in partaking of the Feast of St. Barmecide.

In the light of this revelation many readers will be deploring the omission of the editorial board of *The Listener* to include Professor Hilton's thoughtful talk to the unemployed with those of the Dean of St. Paul's and Major Douglas. The ordinary reader could have learned from the Professor to suspect the purity of his desires, and from the Dean to distrust the efficiency of his reasoning-powers, and thus he would have been doubly inoculated against the infection of Social Credit.

We, who advocate the ideas known as Social Credit, must comment on the manner in which Professor Hilton insinuates their worthlessness. He makes it appear that the idea that the banks can and ought to provide a remedy for unemployment is one of our ideas. He does not directly affirm this, but undoubtedly the unemployed who heard him would take him as meaning it. The banks cannot bring about the permanent re-employment in industry of idle men without destroying production or strangling it at birth. But they can, and ought to, put them in the way of employing themselves outside industry by providing them with purchasing power unconditionally on the lines laid down in the Social-Credit proposals. The pursuit of self-chosen vocations outside the organised process-and-costing system will inevitably follow the release of men from disciplined obligations to do work within it and financial penalties for being dispensable by it. And when that release takes place there will come a time of vision, energy, faith, confidence and courage such as we have never yet seen.

Here are one or two positive statements made by Professor Hilton.

Labour-saving inventions have had something to do with unemployment, but the reason is "because it's happened rather too quickly and upset the balance here and there; but it isn't the cause of unemployment. . . . If other things are all right, improved methods and processes and machines won't cause general unemployment. If other things are all right people will buy the whole of the increased output and still ask for more. There can be too much of everything—not until everyone has all that he wants and can't be bothered to ask for more."

Savings out of income slow down buying when they are not used to provide work . . . "lately the banks have been over-full of savings that either haven't been

lent at all or have been lent to people who didn't use them in ways that make work."

"Business men want three things before they start employing more people . . . energy and courage . . . a fair hope" [of profit] "and . . . money at low rates of interest." "It's my belief that if they can show energy and prospects there's little difficulty about the money; but that only means that if the borrower has hope and courage so has the lender."

"The cure of unemployment isn't in any conjuring tricks with gold, or money, or credit, or birth-rates or pensions, or great public works schemes. It lies deep in human nature. . . ."

The old saying about giving the people bread and circuses should be altered to "doles and variety turns." For those who heard the address will agree that it was a piece of entertainment in which the speaker's ingratiating manner, flippancy, jokes, quips and banter were calculated to re-create the atmosphere of the music hall where one goes to laugh at himself and his troubles. A bit out of place for study groups such as we understand was the purpose of these clubs of unemployed; but since Satan finds mischievous theories for idle minds to reflect on we can understand the policy of laughing listless listeners out of theories altogether.

Coal or Electricity at Home.

A circular distributed by a certain coal-merchant in the suburbs of London submits the following argument to prospective customers. He says that the respective costs of heating a room of 2,000 cubic feet for a 16-hour day are:—

	s.	d.
1. By electricity, at 1d. per unit	2	3½
2. By gas, at 10d. per therm	1	1
3. By best coal, at 47s. 6d. per ton	5	½

So far as absolute costs are concerned these figures are not of much use because nothing is said about the temperatures of the room before and after heating, or about the type and efficiency of the installations. But if all these factors are assumed to be constant the figures may be taken as a rough guide to the comparative costs of the three methods of heating. Here they represent, approximately, a ratio of 1 : 2½ : 5 for coal, gas and electricity.

Now, we do not know what the proportions are of wages, salaries and distributed dividends measured against the respective prices of these three products (perhaps some reader has access to data on this question), but from our general knowledge we should say that they would show a descending ratio perhaps just as steep as the above ascending ratio of cost to consumers. Certainly the coal industry has long been credited (or is it discredited?) with having paid away a higher proportion of its prices in wages than most others, if not all others of comparable dimensions—and no doubt this would hold good of prices at the householder's door as well as those at the pit's head. In any case it is pretty safe to say that coal distributes the highest proportion of wages per unit of price, and electricity the lowest. We have told before now of the residents at Box Hill who protested against tree-felling and pylon-erecting in that beautiful district and were mollified by the promise of current at one-halfpenny a unit, only to find ultimately that the charge was sevenpence halfpenny—fifteen times

the original estimate. (Letter in *The Times* a year or two ago).

Taking the figures of the cost-ratio as correct, our friend the coal-merchant is in effect saying to the householder: Why pay 5s. for electricity when 1s. for coal will heat your room just as well? (We can leave gas out of the argument for our present purpose.) What is the answer? We all know it—it is summed up in the word: Convenience. How nice just to push a jolly old switch and get the heat on; and to have no grate-clearing, no carpet-sweeping, no ceiling white-washing to do as a result. Full allowance may be made for these considerations but they must be discounted by others, such as the hygienic and aesthetic properties of the coal-fire which draws the air up the chimney, and with its everchanging colours, shapes and sounds, sets you musing as no book can do. Not all is yet known as regards the inner ethereal properties of the "heat-rays" thrown out during the combustion of coal. We hear all sorts of theories about sunlight and vitamins; we scrap (if we can afford it) our ordinary window-glass for that new glass which lets through those mysterious radiations that the old glass blocked out; but we do not give a thought to the possible consequences of utilising heat at one, or two removes, from the combustion of the coal itself. We cut out the smoke, yes; but we cut out, too, the volatile essences, the coal-tar derivatives locked up by Nature in the age-old wood which once swelled and swayed in sun and wind. Ask the youngsters—or rather those of their elders who lived before the modern convenience: "Bath, h. and c." came on the scene with its switches and geysers and what-not (including explosions and electrocutions)—has there been anything to touch the old tubbing and towelling in front of the kitchen fire that jovially winked at their nakedness, crackling and puffing its accompaniment to the splashing and scrubbings of juvenile ablutions? Gas! Electricity!—no fear!—they can be relegated to the Nether Regions where the heating is provided as a penalty, not an amenity.

So much for that. And now to revert to the "convenience" of modern heating. Of what does it consist? The saving of labour and time. That, and nothing else. But is not that a great deal? Yes, it is, in particular households considered separately. But when viewed collectively against the background of the economic system as now operating some humorous paradoxes emerge. For the anti-coal-fire argument amounts to saying that consumers as a body who spend (taking our token figures) 5s. on electricity instead of 1s. on coal, save themselves labour and time valued presumably at 4s., or perhaps more. But where are they to get the 4s.? By working to earn it, of course. Working at what? This is where the joke comes in. For if all heating were by coal fires, and these people got work in raising, grading, loading, transporting, and distributing coal from door to door, they would have the 4s. to spend, and no time to spare—they would require to take advantage of the labour-saving services of electricity. But there wouldn't be any electricity.

On the other hand, if they worked instead exclusively on processes leading to the supply of electricity, either they would all work less and at lower wages, or a large proportion would do no work and get no wages. In either case, viewed collectively, they would have much

more leisure, and therefore much less requirement for this time-saving electricity that they were producing—added to which, they wouldn't have the money to buy it. Lastly, there would be no coal available for them to buy instead.

Summing up. As coal-producers they would have the 5s. to spend on non-existent electricity, and no time to use existent coal. As electricity-producers they would not have the 5s. to spend on existent electricity, but 1s. and plenty of time to use the non-existent coal.

Generalising from this dilemma, it can be said that mass-production by modern devices inflicts impoverishment and idleness on the householder, and at the same time produces things whose price and purpose would make him poorer and more idle still. It is perfectly natural and logical that in many parts of the world people are beginning to cast longing eyes on the older and simpler methods of production.

On the occasion of the last fog which visited London a month or so ago, *The Times* got to work on an agitation about smoke from the householder's chimney. It is pretty easy to guess what this may portend—namely prohibitive legislation against the practice of making 1s. go as far as 5s. in the consumer's home. In short, a levy of 4s. to swell the secret reserves of the Money Monopoly.

The Cotton Spinners' Subsidy v. Loan.

A deputation from Lancashire waited upon Mr. Runciman last week. What the nature of the discussion was is not disclosed. But there are reasons to suppose that the deputation put forward a request for a subsidy in connection with the proposals for rationalising the spinning industry recommended by the Colwyn Committee. *The Times* draws that inference (December 15) and promptly squashes the whole idea without waiting to hear the facts or the Government's reaction to them. The writer of the article in that journal observes that subsidies are already mounting up, and that there is a limit to the capacity of the taxpayer to meet them. He adds, moreover, that a subsidy is not necessary. However, he goes on, the Government might help in other ways; for instance, it might sanction the raising of a loan on the security of the rationalisation.

The Colwyn scheme calls for a statutory levy on all spinning mills for the purpose of buying up and scrapping or "putting into cold storage" redundant spindles, of which there are calculated to be about 13½ millions. The writer of the article says:

"If sufficient support for the redundancy scheme is found within the trade itself—

which presumably means, if the spinners concerned can reach a mutual agreement on the principle of the scrapping plan and its incidence on their respective mills

"—there is every reason to expect that the Government would be prepared to give statutory sanction to the proposed levy—a step which, in itself, is little short of revolutionary. It might even be justified in going farther, and assisting the industry to raise a loan on the security of the levy by a Treasury guarantee which would enable it to make full use of the low rates at present prevailing in the money market. But a direct subsidy is out of the question. Nor, indeed, is it in any way essential to the success of the scheme."

Elsewhere he points out that the granting of a direct subsidy would send "innumerable" other interests running to the Government for similar assistance—an admission, by the way, that the whole of British industry is in the same sort of trouble as the cotton-spinners, i.e., holding a superfluity of real, convertible wealth against which the community are without the monetary means of inducing its conversion and delivery across the shop-counter. Trade starts with the giving of an order: and trade stops with the withholding of an order. And the ultimate giver and withholder is the man or woman buying in the shop or looking and longing outside it. No-one else. All other kinds of buying and selling are consequential on external selling to consumers, and depend entirely as to their volume on the amount of personal income consumers are able to bring to the market.

With regard to methods of financing the reorganisation it may be pointed out that whereas a subsidy transfers money from the taxpayer to the subsidised industry and leaves the quantity of money in circulation unaltered, a loan adds money to the quantity in circulation. Since the object of raising the money is to put 13½ million spindles out of action—thus reducing the *real credit* of the nation—procedure by way of loan is much more injurious to the taxpayer than would be that by way of subsidy. To increase credit and restrict output is pure inflation. What the taxpayer saves in levies by Somerset House he will more than lose in levies by shopkeepers.

Lord Hewart's Outburst.

Lord Hewart's outburst in the House of Lords on December 12 appears to have been made the major topic of the week judging by the headlines of the popular Press. His difference with the Lord Chancellor was formally composed two days later. *The Times* of December 15 reviews the circumstances in its first leading article. On the evidence it would seem that Lord Hewart's attribution of personal motives (e.g., against Lord Justice Slessor) was not sustainable, but that, on the other hand, he was right in pointing out that the Government's proposal to alter the rule of seniority governing the Presidency of the Second Court of Appeal opened the door to bureaucratic abuses. His complaint of discourtesy on the part of the Government in not informing him of their intention before introducing to Bill was met by a denial that they had omitted to inform him. Accepting that, it still remains true that by some means or other he was taken by surprise—which indicates that the contemplated changes were brought forward in too much of a hurry. The old rule, "It's dogged as does it," has been superseded by the new rule of "It's hustle as does it," and our readers will remember that when we reviewed Lord Hewart's book, *The New Despotism*, we took pains to show that underlying the bureaucratic abuses which he was exposing and attacking was the necessity for keeping to a time-schedule if not beating the clock. The greater the right of the Legislature to review a measure the shorter the time allowed them for reviewing it. And considering that the Legislature has absent-mindedly delegated so many of its rights to the permanent official, this time-squeeze on its exercise of the few that remain is adding insult to injury—or, as Lord Hewart might say, discourtesy to dispossession. The permanent official in the present case is Sir Claude Schuster. There is no evidence to implicate him in a general policy of superseding judicial by political authority—in fact the evidence tends

the other way; nevertheless, Sir Claude belong to a class of administrator which, by the logic of circumstance under the rule of the Money Monopoly, must inevitably strive to invade the prerogatives of the Courts in order to function efficiently on a rigid time-table. So it is clearly in the public interest that authorities like Lord Hewart should constitute themselves watchdogs on these matters even at the occasional risk of discovering a mare's nest or treading on a wasps' nest.

What Will Remain?

By R. Langier.

V.

Great, amoral drama and poetry, broadly human, lyrical, and essentially popular, takes leave of England as the Puritan business-man and dreary moralist come into their own—and other people's own. Dr. Bowdler has arranged Shakespeare and has obligingly "omitted" those words and expressions which cannot with propriety be read aloud in a family.

As business flourishes English art is inspired more and more by the homiletics of Sandford and Merton. In a preface to an incredibly dull tragedy, the popular "Monk" Lewis wrote: "To the assertion that my play is *stupid*, I have nothing to object; if it be found so, even let it be so said; but if (as was most falsely asserted of "Adelmorn") any anonymous writer should advance that this tragedy is *immoral*, I expect him to prove his assertion by quoting the objectionable passages. This I demand as an act of justice."

Be good sweet mind, and let who will be clever. But what, *Alfonso, King of Castile*, a tragedy in five acts, really demanded, was not justice but mercy. Even let it be so said. . . .

Adam Smith was a moral philosopher. Malthus was a parson. James Mill, born in 1773, was licensed to preach in 1798, and did preach. Bentham said, "I was the spiritual father of Mill, and Mill the spiritual father of Ricardo." Ricardo, the Jew, does not seem to have preached very much. He had a financial mind. When a fortune was needed, for himself, or a relation, Ricardo went into the Stock Exchange for one, as a man might slip out for an evening paper. McCulloch does not seem to have preached so very much, either; he was a professor, a statistician, and an editor of encyclopædias. William Nassau Senior had an archbishop for a private tutor, and Senior sat on a lot of Commissions, drawing up the famous report on which was based the Poor Law of 1834. It was said of Senior that he "had a characteristic dislike to dwelling upon painful subjects." John Stuart Mill learned the Greek alphabet at three, and a few years later burned the MS. of Carlyle's *French Revolution*. John Stuart's most popular public statement came in answer to a question from a political opponent, who asked whether Mill had said the English working classes were "generally liars." Mill answered, "I did." And this "evoked loud applause." Honest John! The poor are now a kind of inferior insect. Society is based upon the greatest unhappiness for the greatest number. The most remarkable thing about these political economists is not, perhaps, their general muddle-headedness (note how they use the word "value"), it is rather, the rapidity with which their notions are accepted by officialdom, and the quickness with which the economists acquire high positions in the land. Here are no inglorious Chattertons, no "servants

of posterity," no unrecognised genius: it takes the poorest of them about fifteen years to reach dizzy and gratifying heights of "success." (I think C. H. Douglas began to write about fifteen years ago.)

England, the workshop of the world, became very proud of herself in particular, and "civilised man" in general. In 1869 the historian, Lecky, rejoices in the superiority of the Victorian over the ancient Greek. The superiority lies, chiefly, in modern inventions.

Formerly, national power, and in most cases even national independence, implied among the ancients the constant energy of high intellectual and moral qualities. When the heroism or the genius of the people had relaxed. . . . the edifice tottered. A great nation bequeathed . . . works of transcendent beauty in art and literature. . . . (But all this acted only through the mind.) The superiority of civilised men . . . is found in inventions, which, when once discovered can never pass away, and the effects of which are in consequence in a great measure removed from the fluctuations of moral life. (Great men are no longer necessary, when you have great inventions, like printing and gunpowder.) Gunpowder and military machinery have rendered the triumph of barbarians impossible. Steam has united nations in the closest bonds. . . .

Whilst this complacent religion of success was being preached by the business-moralist-historian-economist-philosopher, culture was being killed, along with the very memory and tradition of Art. The factories were open. The City supplied Manchester with (wageless) orphans; but the City stipulated that, in every batch of twenty infants, one idiot might be included. Business is business: "the triumph of barbarism" has become impossible.

As early as Elizabeth, Cecil, who acknowledged "the Florentine" as master, asserted that "to be rich a country must carry out more than she brings in." Cecil's teaching has born fruit. The way is prepared for the "success" doctrine, and false interpretations of Darwin, and pseudo-science generally. England is turned into an ash-heap, and there is barely any protest, except from a handful of artists, and many of these have become sentimentalists. There is no poet who could write so stirringly:

"This land of such dear souls, this dear, dear land,
Dear for her reputation throughout the world,
Is now leased out (I die pronouncing it)
Like to a tenement, or pelting farm;
England bound in with the triumphant sea,
Whose rocky shore beats back the envious edge
Of watery Neptune, is now bound in with shame,
With inky blots and rotten parchment bonds;
That England that was wont to conquer others
Hath made a shameful conquest of itself."

(To be continued.)

Notice.

All communications concerning THE NEW AGE should be addressed directly to the Editor:

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20, Rectory Road,
Barnes, S.W.13.

Renewals of subscriptions and orders for literature should be sent, as usual, to 70, High Holborn.

Peace! and Christmas.

At this hour of 1934 from every pulpit in the land there goes forth the call to prayer for Peace, and an invocation for Charity to those who are in need. Why is there need in any home this Christmas Day, when there is Abundance in the land? It cannot be God's Will that there should be Poverty when, through the processes of mechanisation, it has been shown how, from the Infinity of Creation, man can produce sufficient for his daily needs! Then—why is there need in any home this Christmas Day? Are there not millions suffering in body and mind from the Godless effects of a Godless system that restricts and denies their undeniable right of access to the necessaries of Life which are here in abundance? The hegemony that controls so damnable a system is guilty of disrupting the Peace of homes, and disturbing the Peace of Nations. That hegemony causes charity to become a dole, and the dole to become a charity. Surely Christian Charity has a far higher meaning and purpose than that!

Every act for the alleviation of Poverty is a distinct indication of man's final abolition of Poverty, for by those very acts humanity recognises Poverty as something man-made, and therefore possible to overcome—not to be submitted to. By a change of system Poverty can be overcome *now*—not at some obscure date in the dim future.

The Church declares that man needs a change of heart in order to bring about world Peace. Social Creditors ask: "How is that change of heart to be brought about?" "Can it be brought about before the guns go off again?" "or, does the Church intend to wait until the guns go off again, and then save her face and hide her failure by preaching a Holy War?"

The wish and the will to Peace!

Prayers for Peace!

Is that all?

Where is the effort? The prayer for Peace will avail nothing unless man first forsakes the system that causes war. To pray, and invite others to pray, for Peace, and yet continue to indulge the sinful system that causes most wars is rank hypocrisy; and every Bible student knows what condemnation was poured upon hypocrites.

If swords were turned into ploughshares, how would that end war? It isn't swords that cause war, but Poverty—needless Poverty—within each and every Nation. God knows! In their hearts the Nations do not want war. "Peace on earth, Goodwill towards men," they cry to-day. The failure of Disarmament Conferences and the helplessness of the League of Nations have watered the seeds of war. Europe is arming to the teeth. The Politicians and the Masses declare against war while knowing that they are powerless to prevent it—yet they know not why Peace is impossible nor why war is inevitable. The "veil of Finance" obscures Reality—and Abundance.

On Christmas Day, 1934, because of the limitless output of Goods by Power, there is enough for *all*. No one need want for the necessities of life. But for an intolerant, intolerable, and callous money-monopoly there would be no destitution. Power can satisfy Human Need. But Power has displaced the wages paid to human labour while multiplying output a hundred-fold. Then! Where are the wages to buy this output? Without sufficient money how can this output be bought? Are men and women and children to become *tramps*, or objects of Charity through taxation; simply

because Engineering has solved the problem of Production? Is Poverty amidst over-stocked shops to be the price of machine-made Plenty? How much longer will the Electorate tolerate, and keep in Parliament, their monetarily-ignorant Politicians with their mad-house "economics"??

On Armistice Day the bugles sounded the "Cease Fire!" But no Peace was concluded. The system that had caused it all continued, unnoticed and unchanged. As the sounds of the "Cease Fire!" died away, the first gun in the International war for Export Markets boomed out. The international money system insisted then, and insists still, that Nations shall struggle—year in and year out—to capture (i.e., take by force!) Export Markets, or starve, or go to war, and Hell, to get them. At this very moment—Christmas Day—all the Nations are preparing guns, bombs, and gas with which to mutilate, devastate, and poison each other, if and when their "Peace" efforts to capture each other's markets fail—as fail some must—and they know it. Christmas Day! The Nations are saying and singing and praying: "On Earth Peace, Goodwill towards men." The hypocrisy of it all!

Why? Why, in God's Name, shouldn't there be sufficient Purchasing Power in each country to enable men, women, and children to buy all that they want of their own country's Produce? Export Trade would become then a mutual and amicable *buy-sell* transaction between Nations. Till then those who died, and those who were maimed for life, sacrificed themselves in vain. The Cenotaph, and every war memorial—till then—will remain monuments to hypocrisy.

The Church, as a whole, shies at supporting Social Credit, erroneously conceiving it as a Political Organisation. Social Credit is the greatest movement ever known to Humanity for the overthrow of the age-long tyranny of Finance—for the abolition of world Poverty which will lay a sure and certain foundation for the establishment of "Peace on Earth, Goodwill towards men." Would that the Church would help us, for, by helping us, the Church—we believe—would advance her chief mission.

"Who hold the balance of the world? Who reigns
"O'er Congress, whether Royalist or Liberal?"

"Who keep the world, both old and new, in pain
"Or pleasure? Who makes Politics run glibber all?
"The Shade Buonaparte's noble daring?
"Jew Rothschild, and his fellow Christian, Byron."

J. CREAGH SCOTT.

Christmas Day, 1934.

A Crisis Christmas Carol.

Consider the turkey: from pope's nose to crop
It seems to invite us to fry it.
But still it must stay on its shelf in the shop
For we haven't the money to buy it.
And here is the pudding, crammed plumply with plums—
And oh! how the children do eye it.
The chances are scant that to table it comes
For we haven't the money to buy it.
And next is the mincemeat tight packed in its pots,
And the cooks are all ready to pie it.
It must rest unempie'd till it mildews and rots
For we haven't the money to buy it.
A fine model airplane is spreading its wings—
What fun it would be just to fly it!
Its rubber must snap ere in motion it swings
For we haven't the money to buy it.
O Lord, for the plenty Thy goodness now deigns
To grant us, our thanks rise on high. It
Only needs now that Thou grant us the brains
To make ourselves money to buy it. I. O. EVANS.

Communication.

FASCISM AND SOCIAL CREDIT.

Sir,—Mr. A. K. Chesterton asks us, in effect, to expose the fallacy of the Fascist contention "that the State is more important than the individual."

The fallacy may be exposed by pointing out that in forcing every individual into an enthusiastically organised workhouse you do not thereby release the inmates from workhouse conditions. You merely Plan Poverty. Yet that release is the main interest of each individual, and, therefore, it is the main interest of "the totality of individuals."

Mr. Chesterton next asks: "What other title is there to a share in the common wealth except work?"

In a modern industrialised community the answer is: the mere fact of being alive. Mr. Chesterton tells us that: "The burden of work must patiently be borne by the entire able-bodied adult inhabitants, no matter how short the working day." He does not say that he is of the opinion that this would be a fair way of bearing such a burden. He says "must." There are, however, other, and possibly more efficient, methods of arranging this matter. The Communist and the Socialist, and, as we see, the Fascist, are all bothered about this. That is because they are all thinking of how to plan and run a workhouse, not how to do away with workhouse conditions. We are not really concerned as to what form of Work-sharing is felt to be fair. That is a question of social ethics that can be arranged in one way or another when we have established a satisfactory mechanism of distribution.

Mr. Chesterton says: ". . . surely it should be our main concern to absorb the unemployed into productive industry. . . ."

He is, we think, mistaken in this view. Our main concern should be to ensure the economic freedom and security of each individual. The proper function of industry is not to provide employment, but to produce and deliver goods and services as and when required by the community.

Mr. Chesterton tells us that: "The position in Italy and Germany at the moment bears no ultimate relation to Fascist economics. . . ."

The Communist, of course, might say much the same thing as regards the present state of development in the U.S.S.R. in relation to Marxist economics.

Mr. Chesterton explains that the "urgent problem" in Italy and Germany is "to keep high the morale of the people," and that "both Hitler and Mussolini must be dependent . . . to some extent, on international finance."

To such an extent, in fact, that neither Nazi-ism in Germany, nor Fascism in Italy, are able to provide their peoples with effective demand, but, instead, must "strain every nerve" to "keep high the morale of the people(s)" by means of—Work.

In Russia, also, we hear of the "glorification of labour," but here, owing to the one-time backwardness of Russia's productive system, there seems to be some more logical excuse for preaching the Gospel of Work.

We are not in the least surprised to hear Mr. Chesterton assert that "work is the best restoration of morale," but—we do not believe it.

However, we understand perfectly that the Fascist excuse for Work-making and Work-sharing has little or nothing to do with the labour-power requirements of modern production, but that Work is looked upon as

being good for people's "morale." Work, we learn, is a kind of medicine, a tonic, a pick-me-up—the "best restorative," according to Mr. Chesterton—for people whose "morale" is in a bad way.

It would appear that their "morale" has suffered because they are unemployed? Or is it because, work or no work, they find themselves in poverty amidst plenty?

"It is, however," says Mr. Chesterton, "no part of Fascist principle to advocate a return to 'hand labour.' Instead, we seek to make the *maximum use of machinery.*" (Our italics.)

Mr. Chesterton concludes by saying that the "full benefits" of the "maximum use of machinery" will only be realised in "a State planned according to the Fascist totalitarian principle."

Mussolini's "March on Rome" took place in 1922. It is now 1934. Twelve years of Fascist experiment. How does Mr. Chesterton account for the fact that in 1933 the 420 English unemployed pilgrims to Rome "noticed with approval the *lack of modern machinery* in public works, for it showed that the *maximum amount of work* was being given to manual labourers"?

Are we to understand that this lack of modern machinery and this use of "hand labour" represents "no part of Fascist principle"? Is this the result of more than ten years of Fascist effort in seeking to "make the maximum use of machinery"? Has Fascism in Italy been forced, in spite of (or because of) its "totalitarian" State organisation, and against its principles, into this form of Planned Poverty by the "extent" to which it is still "dependent" upon international finance?

We submit that every form of "planned economy" that attempts (a) to make Work—payment for Service—the only proper title to a share in the common wealth, and therefore seeks to provide employment, while, at the same time, seeking (b) to make the maximum use of machinery, is bound to result in Planned Poverty enforced by a Police State in which "the State" solves (*sic*) the problem of "anti-social factional interests," not by removing the cause of the friction, but by first stampeding the emotions, then regimenting, and finally bringing to subservience every individual and group (except the Bankers) to the "interest of the State," which is—to remain in power whatever happens.

FRANK GRIFFITHS,

General Secretary, The Green Shirt Movement for Social Credit.

Question Time.

The Discount Voucher and Inflation.

Perhaps the questioner mentioned by Mr. John Grimm (NEW AGE, December 6, page 64) had been studying the Scheme for Scotland. Under its provisions a purchaser is handed a receipt on special paper which entitles him to a discount at a bank. The discount suggested by Major Douglas was 25 per cent., and evidently the amount of the discount can be spent (by cheque or note or coin) and the purchaser acquire 25 per cent. of this amount when the receipt of the second purchase is discounted; and the second discount can be spent, and so on. . . . Probably it is the unending amounts of money that are acquired as the result of the initial purchase that arouse the feeling that here is a cause of inflation.

There need be no fear of that, however, since the sum of all the discounts would not be greater than the

fixed limit—mathematically fixed. We have here an example of a Series in Geometrical Progression of which the simplest that can be taken is when the Price Factor is one-half, i.e.:

$$\frac{\text{Consumption}}{\text{Production}} = \frac{1}{2}$$

Under such conditions the price (Scheme for Scotland method) of an article is, say, £2; the purchaser pays, and gets a receipt for, £2, and later at the bank he is credited with £1. The next cheque signed by our purchaser includes this £1 (let us imagine) and he gets a receipt on which the discount includes 10s., corresponding to the £1; in subsequent purchases he is credited with 5s., 2s. 6d., 1s. 3d., etc. How much has he received from the National Credit Account (via the bank) to finance his purchases? If one adds up the amounts one finds the sum *approaches* £2, but it will never *exceed* £2. The algebra books tell us that the Series in Geometrical Progression,

$$1 + \frac{1}{2} + \frac{1}{4} + \frac{1}{8} + \frac{1}{16} + \frac{1}{32} + \dots = 2$$

in the limit when a very great number of terms is taken. The successive sums are $1\frac{1}{2}$, $1\frac{3}{4}$, $1\frac{7}{8}$, $1\frac{15}{16}$, $1\frac{31}{32}$, . . . ; and the purchaser has bought £4's worth with his original £2 plus the £2 from the National Credit Account.

If the purchaser keeps on spending his discount he will be financed by exactly the amount necessary to make up the shortage in purchasing power, assuming, as in the Scheme for Scotland, that prices have been fixed and that these prices have been used to calculate the Consumption and Production terms that appear in the Price Factor $\frac{1}{2}$. There is therefore no inflation.

Apparently, some men can assimilate the idea of the operation of a discount when their incomes are being spent, but not the idea of a further discount on the sum which is put into their pockets or bank account as a result of the first discounting process. This probably leads to the idea of special "Douglas Money" for the second grade purchases. To introduce a new type of "money" is an unnecessary complication.

In the example quoted by Mr. Gibson and Mr. Grimm the discount percentage is 20 per cent., i.e., the price factor is $\frac{4}{5}$ ths. The formula for the sum of a very large (infinite) number of terms in a Geometrical Progression is

$$\frac{a}{1-r}$$

where a is the first term and r is the factor (this was $\frac{1}{2}$ in the previous case). Starting purchases with £1, the total value purchased will be $\frac{1}{1-\frac{1}{2}}$ or £2 (this was $\frac{1}{1-\frac{1}{2}}$ in the previous case). Starting purchases with £1, the total value purchased will be $\frac{1}{1-\frac{1}{5}}$ or £1.25 (this was $\frac{1}{1-\frac{1}{5}}$ in the previous case). Starting purchases with £1, the total value purchased will be $\frac{1}{1-\frac{1}{10}}$ or £1.11 (this was $\frac{1}{1-\frac{1}{10}}$ in the previous case).

formula. The purchaser in Mr. Gibson's example had £8 and was thus enabled to effect purchases to the amount of $\frac{1}{4} \times 8 = £2$. The result is the same as a 20 per cent. discount at the counter for £10's worth of articles has been purchased for £8.

The phrase "if the purchaser keeps on spending his discount" is not intended to give the idea of a man running between bank and shop intent on getting his discount and spending it. That sort of picture occurs to one when explaining Douglas's Scheme. There is a flow of purchasing power from men's pockets or bank accounts as purchases are made; a flow of incomes into the pockets or accounts, but this flow *into* has to be augmented by a flow of discounts. J. E. HUMPHRIES.

Shortage of Purchasing Power.

A correspondent writes in the *Yorkshire Post* of December 11 arguing that the cause of the shortage of

purchasing power is the fact that a large section of the community have "no productive output of their own to offer in exchange for the productive output of other people." Social Credit is no remedy for this, he says, for it won't put these would-be consumers "in the position of having either goods or services of their own to offer in exchange, etc., etc."

Let us set out this proposition in terms of things and money. Let there be a closed credit-area in which there are 100 people, a pool of 1,000 articles for sale worth (at cost) £1,000, and a pool of £800 money available. Let 20 of these people be non-producers who have not contributed articles to the pool. This leaves 80 people who have contributed the 1,000 articles and therefore have the £800 in their possession—paid to them for this contribution. Let these now draw from the pool and pay in their money. The pool now contains 200 articles worth a price-value of £200 which cannot be bought because the 80 people have no money left.

Thus stated, the discrepancy has obviously nothing to do with the 20 people. They might never have existed. It has to do with the 80 people. These 80 people had a "productive output of their own" which they placed in the pool to "exchange" for the "productive output of 'other people.'" Who were the "other people"? Obviously the same 80 people. The process called "exchange" between "some" and "others" is a misnomer. It is really a pooling and mixing of the contributions followed by the sharing out of the mixture. Let us say that the 80 people made the Christmas Pudding—bringing between them all the various ingredients and stirring them together. Now it is true that the 20 people looking on cannot have any pudding, because, not having helped, they have not got a title to a share—they have no money. But that does not explain why the 80 people who own all the titles to shares can only get four-fifths of the pudding. A. B.

The Films.

"Les Miserables." Directed by Raymond Bernard. Academy.

The French cinema at its best is seen in this outstanding production, which is noteworthy alike for atmosphere, acting, direction, editing, and photography, although the camera angle is overdone in the interior scenes. Special mention should also be made of the lighting, the characteristic incidental music by Honegger, and the economy in the use of dialogue. Harry Baur is admirable in the triple roles of Jean Valjean, M. Madeleine, and Champmathieu, and as Cosette Gaby Triquet is a welcome addition to the small number of really competent child players. It is regrettable that so many of the titles are in such bad English, such as "I have the honour to salute you with considerable," and "We are certain to hold an ex-convict." And what is "gum-lack"? But neither these blemishes, nor a certain slowness of rhythm and the adoption by some of the players of the methods of the stage rather than of the screen can mar the sombre magnificence and the humanity of one of the best films of the year. DAVID OCKHAM.

The New Despotism.

"In matters intimately affecting the lives and transactions of our people twice as many pages of statutory laws come from the Government Departments as from the Houses of Parliament."

[Lord Wright, Lord of Appeal, at the annual dinner of the Auctioneers' and Estate Agents' Institute of the United Kingdom, December 6.]

The Theatre.

"The Noon in the Yellow River." By Denis Johnston. Haymarket.

This play contradicts Euclid's axiom of the whole being greater than its parts. The first act is most admirable foiling, and if its note were maintained the result would be as clever a burlesque of the Celtic twilight school of drama as has ever been written. But after introducing us to a number of people who are as unreal as they are amusing, the author abruptly projects tragedy into the second act. And his reasons for the homicide of Darrell Blake are completely unconvincing; the obvious way to prevent anyone from blowing up a power house is to take him in custody, not to shoot him in cold blood. The third act falls to pieces in a welter of talk and false sentimentality, with Dobelle apostrophising his dead wife and blethering over his child. It is regrettable that one should be obliged to give such a summary of a play that makes so promising a start, and is so uncommonly entertaining in parts.

The acting is also good in parts. Nan Munro is superb as the acidulated spinster Columba, Fred O'Donovan makes Lanigan a real messenger of doom, Joyce Chancellor's Blanaid is both charming and genuine, Harry Hutchinson and William Heilbronn step straight out of any W. W. Jacobs story, and the only fault one can find with Kathleen Drago is that she does not occupy the stage enough. Charles Carson's Dobelle is too theatrical and self-conscious, and Bruce Belfrage's attempts to give Tausch a German accent are so painful and unsuccessful as completely to divert this critic's attention from his performance. Mr. O'Donovan's production is first-class. VERNON SOMMERFIELD.

Music.

Friends of Music Society, Pleyel's Music Room, Nov. 30.

A new society with the above title has been formed for the excellent and enterprising purpose of performing new and neglected music.

Full particulars may be obtained from the Secretary, Miss Shula Doniach, 31, Abbey Gardens, N.W.8.

The Society's opening concert consisted of three works—two of them virtual novelties (a Handel Concerto for oboe, violin, and string quartet arranged by Leon Goossens, and Martinu's second string quartet), and the third, that old favourite, Arnold Bax's Oboe Quintet. The Handel proved to be a typical example of the composer's prolific second-grade manner, or, in other words, charming, well-wrought music of no great moment. It was played with evident sympathy by Leon Goossens and Daisy Kennedy (oboe and violin), assisted by the Stratton String Quartet.

Martinu's composition, on the other hand, contained some ideas of interest offset by dreary stretches of tedium carried to quite unconscionable lengths. This, in my opinion, is not a work likely to improve on acquaintance.

Of Arnold Bax's Quintet all that need be said is that it reveals the composer in a more easily approachable and engaging vein than do some of his more ambitious works, and combines the most poetical and vigorous material with a comparative simplicity of structure and idiom. It is music to which very few people, surely, can fail to respond, and Mr. Goossens (for whom it was written) once more charmed us with his beguiling tone and phrasing.

An added attraction of the evening was a pleasant, well-delivered explanatory and introductory talk by Mr. Robert Mayer, whose services in the propagation of first-class music, especially for the young, are invaluable and indefatigable.

CLINTON GRAY-FISK.

The spirit of selflessness:—Officer, to new recruit: "What religion?" New recruit: "Well, I really don't mind: which are you short of?"

Reviews.

"The Desire and Pursuit of the Whole." By Frederick Rolfe, Baron Corvo. (Cassells. 10s. 6d.)

This extraordinary novel has been rescued from a lumber-room by Mr. A. J. A. Symons, who recently published a biography of Frederick William Rolfe, self-styled Baron Corvo. It was worth saving; it is not such a certain masterpiece as his "Hadrien The Seventh" but it is good enough to shine like a star against the muddy background of novel-garbage, to quote Carlyle, that fudders the circulating libraries. As a man Rolfe was difficult to the point of impossibility; he got himself into the most appalling difficulties, and quarrelled tremendously with people who tried to help him out. He had a splendid gift of invective which makes his lunatic pride seem almost admirable. "The Desire and Pursuit of the Whole" is a kind of double portrait: Rolfe has painted himself as he saw himself—an injured hero; while between the lines we read of the egomaniac he really was. The title is taken from Aristophanes's speech in Plato's "Symposium," in which love is explained as the reciprocal desire of the separate halves of an original whole. This is the love-story of a starving man; Rolfe was actually going short of food when he wrote it. He was not the whining neurotic who talks about starving, and sponges on his friends; he had at least the courage of his lunacy, and was prepared to starve rather than be sane—and his genius is such that I think the most sensible reader will have at least a sneaking admiration for his intransigence. M. J.

New Indian Constitution.

"... We agree with the view which, we understand, has been taken throughout by His Majesty's Government that a Reserve Bank on a sure foundation and free from political influence should already have been established and in successful operation before the constitutional changes at the Centre take place.

"The Indian Legislature has recently passed a Reserve Bank of India Act, and we are assured that this measure should provide the Bank with a sound constitution. We understand that it is expected that, in the absence of unforeseen developments, it will be possible for the Bank to be constituted and to start its operations during the course of next year. Reliance on the Bank to play its due part in safeguarding India's financial stability and credit clearly demands that at all events its essential features should be protected against amendments of the law which would destroy their effect for the purpose in view.

"The White Paper proposals require the prior consent of the Governor-General at his discretion to the introduction of legislation affecting that portion of the Reserve Bank Act which regulates the power and duties of the Bank in relation to the management of currency and exchange; that is to say, they do not cover the constitution of the Bank itself. We feel, however, that so narrow a definition leaves open the possibility of amendment to other portions of the Act which might prejudice or even destroy some of the features of the system which we would regard as essential to its proper functioning. It seems clear that the Act must be considered as a whole, and we recommend that any Amendment of the Reserve Bank Act, or any legislation affecting the constitution and functions of the Bank, or of the coinage and currency of the Federation, should require the prior sanction of the Governor-General in his discretion."

[From the Report of the Joint Committee on Indian Constitutional Reform.]

Forthcoming Meetings.

Green Shirt Movement For Social Credit. National Headquarters: 44, Little Britain, London, E.C.1. Wednesday, January 9, 8 p.m.—Lecture by John Hargrave, Founder and Leader of the Green Shirts. Birmingham Douglas Social Credit Group. January 9.—Subject to be announced.—Dr. J. E. Purves.

LETTERS TO THE EDITOR.

THE DISCOUNT VOUCHER AND INFLATION.

Sir,—As one who was present at Mr. Gibson's address in the Blewcoat Room on November 30, and who heard the question and answer to which your contributor, Mr. Grimm, refers in his article in your number of December 6, I should like to be allowed to make the following comments.

There was, in fact, an undoubted flaw in Mr. Gibson's exposition of a perfectly sound case. It was emphasised by the printed figures circulated amongst the audience. By these figures (and confirmed by the actual words used by Mr. Gibson) it was made to appear that the *whole* difference between consumption cost and (normal) price value was to go in a discount which could be turned into extra cash. In addition there was to be a National Dividend, also apparently calculated (though Mr. Gibson was not very explicit on this point) on the same basis.

It should have been made clear that the actual difference must be *distributed* between National Dividend and price discount. Thus, to take the example in the printed figures, where 1,500 represented consumption cost, and 2,000 the price value of the production, the 500 difference must be divided in some proportion (which was not stated.) If not, there will be an inflation—that is, more money than is required to buy the available desirable goods at the normal price level. In any case it is no answer to an objection about inflation to say that there is no inflation if the prices do not rise. That is true, but the whole point was that prices will rise if there is too much money (unless prices are fixed by law, in which case there will be unusable money about.) The price discount in itself would not prevent prices rising if there was too much money, for traders would simply put up prices by an amount more than the discount. The proper way to answer the question about inflation is to say that it will only occur if the total money incomes are greater than is required to purchase the goods. It would probably not have been necessary to carry the matter much farther with a popular audience, but if it had been necessary to do so, the matter could have been put somewhat as follows.

Taking the figured example circulated, where 500 represents the amount available for Dividend and Discount together, let 300 be allotted for the former and 200 for the latter (enabling a discount not of 25 per cent., but 10 per cent.). The Dividend, as one understands, will have to be issued somewhat in advance of production, and this would cause a tendency to inflation. Traders will be tempted to put up prices, but it is proposed to check this by the inducement to come into the discount scheme. Traders would only be able to do this if they did not put up prices. Once the goods are on the market corresponding to the amount of dividend, the inflationary tendency disappears, to be renewed through the discount, which provides fresh cash in anticipation of further production.

It is not altogether easy to see that this complication is necessary. A simple census of production and the adjustment of money incomes to correspond, through the Dividend, would appear to be quite adequate. It would probably be much easier to realise, for it is a proposition that anybody from the age of twelve upwards can grasp.

A. S. ELWELL-SUTTON.

WOMEN AND SOCIAL CREDIT.

Sir,—I referred to a thousand years' influence of Danish customs. The one that enables the farmer's wife to be as economically and financially free as her husband persists to the present time. Women were neither a prime luxury nor a frustrating curse.

Some of the children and grandchildren of these women, as practical in business as in the home, are now in the civil services, in industry, and in the professions.

How will this affect Social Credit Policy? If a Social Credit Scheme is offered as a business proposition, women will say, "Be just with Wages and Salaries, before you are generous with Dividends."

Equal pay for equal work is not a red herring to all the

organised societies of women workers, though it appears to be a red rag to some Social Creditors. Every woman has a voice and a vote and she can use both to express her own wishes.

It is possible to measure time—in hours, it is also possible to estimate how much work can be done in an hour, and it is possible to assess values, and to re-assess them if one's first decision is not a correct one.

In his preface to "Social Credit" Major Douglas says, "There is an ancient saying (which will bear investigation in these days of change and unrest) that the devil is God upside down." It is our business to point out the way to set Herr Hitler and Signor Mussolini on their feet. Alexander thought he had conquered the whole world, but he had not conquered Diogenes.

When I was a child, the following story of a "great" lady of this neighbourhood was current. She visited one of her cottagers who was ill. Turning up her skirt, she brushed, washed, and dusted. Then she prepared a meal for the invalid and chatted with her, while she ate it. She then knelt beside the bed, prayed, and took her leave. The following day the clergyman called, and stayed awhile. Before leaving, he said, "I would have prayed with you but I have left my Prayer Book at home."

Yours faithfully,
S. M. W.

FASCISM AND SOCIAL CREDIT.

Dear Sir,—If Mr. Chesterton requires proof that Fascism means "Planned Poverty" he need go no further. He produces the proof himself in his own letter! Of course no one would accuse the good people in the Fascist organisations of deliberately planning poverty, but their trouble is that they speak from their hearts and do not think with their heads. Therefore they do not know their objective, and so the enemy draws their fire on dummy targets.

He asks what other title there is to a share in the common wealth except work? We answer that our title is our Birthright. He admits that science to an ever-increasing extent helps us with the problems of production, and goes on to say that man's labour "in some degree" will always be required! This is exactly what we are trying to get home to people, and we point out that the "some degree" will always be growing less, and if we are to depend upon this paid man-work for our incomes, then the paid jobs will grow less, so that the more productive we are the less will we be able to purchase. Then, if this paid man-work is to be "patiently borne by the entire able-bodied adult inhabitants, no matter how short the working day," what a laughing-stock we shall be to less "civilised" people! The entire able-bodied population will be engaged rushing to and from work every day to put in its two-minute week! This is the logical conclusion to the Fascist Planning for Plenty!

I entirely agree with Mr. Chesterton when he says "work is the best restorative of morale," but it is plain from his letter that his conception of "work" is "earning a living." My conception is "employing leisure," and such of my time as may be occupied in earning a living I regard as a "burden," "obstacle," "break," or "drawback." It is hindering me from occupying my time with a very much higher purpose in life than the mere sordid business of earning a living. I do not believe, and I am sure Mr. Chesterton does not either, that man was put on this earth for the sole business of working at getting his Daily Bread. Rather is he taught to ask that it be given to him, and Social Credit alone shows how it can be given by the right progressively displacing the Workright, in exactly the same proportion as the Power-Machine takes the burden off the shoulders of Man, or as we become disemployed by scientific progress.

Perhaps Mr. Chesterton might be able to help himself if he will only answer such questions as: To whom does knowledge, skill, experience, ability, and science belong? How have we obtained them, and from where? Without these could man to-day produce what he does? Is our actual con-

tribution of man-work any greater than the contribution of a generation in the Stone Age? What is work?

T. H. STORY.

Sir,—Mr. A. K. Chesterton has brought to my attention a letter from one of your correspondents, asking for a statement of how and upon what basis money would be created by the Corporate State of Fascism. I would recommend this gentleman to write to the Publications Department at our Headquarters and procure for his better information a copy of the B.U.F. Speakers' Note No. 5, which deals with the subject of money in some detail.

In short, a Fascist Government in Britain would base money not upon gold, but upon the productive capacity of the Nation, and sufficient money would be placed in the hands of the community to enable the full production of the nation in goods and services to be distributed to the people, putting an end once and for all to the restrictive policy of the banking monopoly. The internal price-level would be controlled so that the public obtains a guarantee that a Pound Sterling would buy a standard amount of goods. Obviously, as production is now restricted, a much larger quantity of goods could be produced if the people had the money to pay for them. The Fascist monetary proposals include the raising of the wage- and salary-standard of the whole community, in all industries, by machinery of Government, by means of the issue of new currency and credit for the purpose, until the volume of money in circulation is sufficient to finance the much higher standard of life rendered possible by modern science and invention. The creation of new currency and credit would then cease, and the industries of the Nation be required to take over the higher wage-standard. Further quantities of currency and credit would be created only when further advances in the power to produce rendered this necessary in order to enable a rising standard of life to be maintained.

Finally, as machinery becomes increasingly efficient, the Age of Leisure will be gradually introduced by cutting down hours of work and increasing the school-leaving age, granting pensions at an earlier age, and such-like measures. Whilst in no way forsaking the Fascist principle of payment for service, liberal allowances will be made to those engaged in scientific research and artistic creation.

A. R. THOMSON (Director of Policy; British Union of Fascists).

Sir,—I repeat, with some alterations, a section of Mr. Chesterton's letter replying to Mr. Frank Griffiths's analysis of Fascist economics.

"The position of Great Britain at the moment bears no ultimate relation to British economics, since the urgent need in that country is to keep high the morale of the people until such time as public opinion is sufficiently advanced to permit of the scientific planning of production and distribution on social credit lines. Every nerve is being strained in that country to secure a larger measure of economic self sufficiency, and until this has gone a little further it is patent that Messrs. MacDonald, Baldwin, Eliot and Co. must be dependent on conditions of world trade and, therefore, to some extent, on international finance. Even so, the progress made by these great men surely must win from us our unbounded admiration."

Does Mr. Chesterton see the point? I conclude by asking Mr. Chesterton: (1) Does he understand the present monetary mechanism of the world in its ultimate workings? (2) Has he studied the Douglas Analysis?

L. 68.

[Correspondents who set out to turn the moral of a statement against the propounder by the device of altering a few key words or phrases in it should explain where the alterations have been made. In this case, while Mr. Chesterton will see the point—being the author of the statement—readers generally will not unless they take the trouble to refer back to it.—Ed.]

Sir,—(1) Payments by Timber Co. to Tree-Fellers Ltd. do not create purchasing power.

"TREE-FELLERS LTD."

(2) Payments by Tree-Fellers Ltd. to its members *do* create purchasing power.

(3)

(a) If (2) precede (1), whence do they come?
(b) If (2) coincide with (1), and are exactly equal to (1) (see (4)) Tree-Fellers Ltd. is like no other Limited Company. Quite theoretical, but in this case (1) are equivalent to A payments.

(c) If (2) follow (1), there is, temporarily, a cost in the Timber Co.'s books with no corresponding purchasing power.

(4) What about reserves for depreciation of axes? Someone else can deal with the other seventeen points.

Do I get cigars or nuts?—Yours faithfully,

G. F. L.

Sir,—I suggest an answer to the problem presented by J. G. in your issue December 13, 1934, might be:

"On forming the Treefeller's Co., Ltd., the men would have to save at least one week's wages, £300, and to continue to retain a week's trees felled in advance. To recover the £300, they would have to try to collect a profit from the Timber Co., which would come out of the community's pool of purchasing power. So the £300 is clearly of the nature of a B charge."

In return may I have a satisfactory reply from your readers or yourself to a question asked in a Reading Circle when we got to page 17 of Douglas' "Monopoly of Credit":—It is stated there that depositor No. 10 had obtained £102 "from the Public in exchange for his goods." How, then, can the goods be said to be "immobilised," seeing that they have already been sold to the Public—perhaps even to the employers of No. 10, and paid for by their wages?

Yours faithfully,

N. RIDLEY TEMPERLEY.

Sir,—In speaking of a "Company," we postulate a concern with capital (none of which may be repaid to the shareholders in the form of interest), an undertaking with heavy expenses for materials and equipment. A hundred stalwart woodmen, sitting in a clearing, chanting "We are a Company," do not thereby become one, any more than they would change into willow damsels by singing "I'm to be Queen of the May." To come down to practical details, if they wish to form a Company and if the registrar, like seven scientists and accountants, will ignore the question of subscribed capital, they must still incur B costs, for example:—

Registration fees.
Printing of share-certificates and balance-sheets.
Auditors' fees.
Brass plate on registered offices.
Bottle of Shinio for cleaning same.

Thus the thin end of the wedge is inserted and the gap appears. R.P.66.

Sir,—Re conundrum under "Question Time" last week, my answer would have been:

"I don't deal with 'legal-status' questions. Ask a solicitor. I only deal with questions relating to Social Credit. You are raising one that has nothing to do with Social Credit—as your own statement shows." A. A. 17.

SOCIAL CREDIT AND ACTION.

Dear Sir,—"I.61" says that the S.C. movement may be declared illegal under the Sedition Bill. That will—perhaps . . . —quash S.C. activity at home.

A few peace-loving S.C. souls may think that they will then be able to go and live as exiles (sounds romantic, doesn't it?) in some freer land.

But apparently Our Masters have thought of that. The Puppet-show at Geneva is, according to the Press, considering international measures against terrorism. It's only a step from "sedition" to "terrorism" and doubtless Our Masters will point out, in Press, Pulpit, and Radio, that the S.C. movement is "terroristic."

"All the world a jail" is evidently the Banksters' aim. Well, we'll be able to form some fine Study Groups behind bars—unless we get on with Action Groups while we're still extra muros (what's the Latin for "bar," anyway?). EDWIN ROSCOR.

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Supporters of the Social Credit Movement contend that under present conditions the purchasing power in the hands of the community is chronically insufficient to buy the whole product of industry. This is because the money required to finance capital production, and created by the banks for that purpose, is regarded as borrowed from them, and, therefore, in order that it may be repaid, is charged into the price of consumers' goods. It is a vital fallacy to treat new money thus created by the banks as a repayable loan, without crediting the community, on the strength of whose resources the money was created, with the value of the resulting new capital resources. This has given rise to a defective system of national loan accountancy, resulting in the reduction of the community to a condition of perpetual scarcity, and bringing them face to face with the alternatives of widespread unemployment of men and machines, as at present, or of international complications arising from the struggle for foreign markets.

The Douglas Social Credit Proposals would remedy this defect by increasing the purchasing power in the hands of the community to an amount sufficient to provide effective demand for the whole product of industry. This, of course, cannot be done by the orthodox method of creating new money, prevalent during the war, which necessarily gives rise to the "vicious spiral" of increased currency, higher prices, higher wages, higher costs, still higher prices, and so on. The essentials of the scheme are the simultaneous creation of new money and the regulation of the price of consumers' goods at their real cost of production (as distinct from their apparent financial cost under the present system). The technique for effecting this is fully described in Major Douglas's books.

*In Course of Preparation.***THE SOCIAL CREDIT WHO'S WHO, DIRECTORY AND YEAR BOOK.**

Editor pro tem, ARTHUR BRENTON.

Editorial Committee in process of formation.
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2. Names and addresses for the Directory section.
3. Suggestions as to what material (speeches, statistics, historical data, etc.) is best worth placing on permanent record in the Year Book section.
4. Information as to societies and organisations advocating Social Credit or other principles of financial reform. Date of formation: objects: officers: structure: fees, etc., etc.

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