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CONTENTS.

NOTES OF THE WEEK.

Finance and the News-Monopoly.

In a lecture given to the Post Office Telephone and Telegraph Society last week at the Institute of Electrical Engineers, by Mr. C. Fleetwood-May, a chief official of Reuter's, it was stated that London became the news centre of the world in Victoria's reign, a position which it still holds, in spite of fierce competition. Mr. Fleetwood-May said:—

"The fact of being the world's news centre means a great deal. London could hardly have become the financial hub of the world if it was not also the news centre."

"News collecting on an internationally organised scale," he added, "was originally nothing to do with newspapers, but started as an essential part of international finance. It began with the Fuggers, financiers, who had correspondents all over Europe."

This piece of candour, straight from the mouth of an authoritative expert in the news-game, is worth careful preservation by Social-Credit exponents. It is all the more important because it occurred in the course of a semi-confidential address to Civil Servants. We have frequently made reference to Kipling's dictum (attributed to a character in one of his stories) that *power* resides in the *control of communications,* and on one occasion included the telephone-telegraph system in an enumeration of the different forms of "communication." So the idea in Mr. Fleetwood-May's disclosure will not be new to most of our readers; but what he says will afford them an excellent text on which to elaborate the idea and expound its implication to the public.

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The saying that "time is money" can be as truly rendered: "news is money," with its corollary that the control of news is the control of money. The converse of this corollary is also true—namely that the control of money is the control of news. And the more centralised and exclusive the control of either the more self-evident is the proposition that the two things controlled are indistinguishable for all practical purposes, which, summed up, mean the purpose of imposing and instrumenting high policy.

* * *

To give an illustration. If you were to possess this power, and wanted somebody to refrain from doing something or going somewhere, you would have the choice between two equally effective options; you could put a money-cost (or price) on the action, and withhold from him the money necessary to meet the cost, or you could frighten him off performing it by misinforming him of the consequences. You would get your own way as a despot, or as a liar; for he could not know that you were either. And that is the secret of the bankers' power. They can so use their control of money as to induce the popular belief that they do not control it. It is all the old game of passing the buck, with the new feature that the buck passes to and fro from *Money* to *News* and from *News* to *Money*—and with such velocity that it is doubtful whether even the Money-mongers and News-mongers can always be certain where it is.

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Perhaps there is no better way of realising the essential identity between the money-system and the news-system than to watch the tape-machine at work. Letter by letter the hammers stamp out a message, and if you are in a contemplative mood you realise that what you see unfolding itself on the tape is a duplicate of a message being typed out at that very moment by an operator maybe hundreds of miles away. And then, if you have some knowledge of the Social Credit Analysis, you realise that you are watching a working model of the loan-costing system, where, as the operators of high finance type out the figures of created money on their instrument those figures simultaneously appear as a cost-message on the industrial-accounting machine under your eyes. Sometimes the tape-machine will tap out a "correction" a previous message, thus reminding you—if you the right mood—that news messages are not invariably infallible: but you never see such reminders come through on the accounting-machine of industry. You never see, following such a message as "Bank-loan issued £100, creating cost £100," some such correction come through as: "Bank-loan repaid £100, destroying cost £100." Yet, as you know, the message, truly corrected, should read something along this line: "Bank-loan repaid, £100: Cost left unrecovered (and irrecoverable), £80." What *might* be seen by the ordinary watcher would be a supplementary message running like this: "New Capital Issue £80," which would give him the exactly opposite and false notion that a new item of revenue-earning wealth was being added to the industrial system.

* * *

News can mislead without necessarily being untrue. News, like Money, is not a pool, but a flow, and there is such a thing as the short-circuiting of news corresponding with that of money. A particular piece of news may be true at the moment of announcement, and become untrue afterwards in the sense that the deduction one rightly draws from it at first may become a false deduction afterwards. The hypothetical examples of messages just given help to illustrate this truth. For instance, at the moment when a bank-loan is issued and announced (as we are supposing) the deduction that the cost initiated at the same time was recoverable would be correct. The bank-loan becomes Deposits which are additional to the previous amount of credit in public ownership; so that the equivalent cost linked to it is arithmetically and potentially recoverable. In short, the fact of the loan establishes the fact of the recoverability of the linked cost. But when the loan is called in, the natural deduction that the linkage holds and the cost disappears along with the rapaid loan is wrong. On the token figures of our examples it is 80 per cent. wrong. Thus the lapse of time brings about a lapse of meaning—the earlier true news in the flow falsifies the significance of the later true news by misdirecting the interpretation that should be placed thereon. Deception is carried on a current of true news just as tendencious news is carried on a current of purposeless electricity or air-waves. To paraphrase the title of a famous book, we are all compassed about by *Lies from Nowhere*. . . And now, having got ourselves entangled in the fringes of metaphysics, we will stop.

Pre-History.

According to Mr. Ezra Pound, "Empires decay because of rottenness at the centre, and in every known case that rottenness has been financial," and he asserts that usury was the cause of the fall of the Roman Republic, the Roman Empire, the Venetian Republic, and so on.

Common sense tells us that no empire, any more than a living organism, would decay without some rottenness in some vital part, and Social Credit shows us that mere usury is not, at any rate in our own present case, the real fault. Under Social Credit the usurer would find his proper, insignificant place. But usury gets a good chance to grow when there is a faulty system of economics; and ideas have grown up round the practice of usury in the last two hundred and forty years which are helping to perpetuate an economic system long since rotten. (For instance, the idea that all money is debt—… bankers' definition—or that in some way all credit …gs by right not to the nation, but to the banks.) …lers during that period, driven with increasing frequency by their necessity of borrowing more money—this because of an increasing money shortage, not because of usury—have placed themselves, and us, more and more in the power of a particular gang of people, which, though it began as (and still is) a private gang of usurers, has had bartered to it now a far wider power: that of withholding and restricting the nation's credit.

It is true that the Roman and other great civilisations reached a point where their economic system went wrong, but the repetition of history only shows us the similarities of the past (always more obvious than the differences), and offers no guidance to us who are making history now, except, in a general way, to show us what *may* happen by the laws of probability and with the material of human nature. (But it may not; in any case the peculiarities need as much attention as the general, or rough, outlines.) Certainly there was never before the same problem as there is now of "a too productive earth and a too productive machinery" (to quote from the conference now going on between France and her colonies), never such a world-wide scramble for dumping-grounds. Come to that, never has the whole world been affected by one and the same problem before.

But we *have* reached a point at which it may be said all other civilisations went down—the point when a structure begins to totter, a system gets out of hand. This stage has always been marked by a dearth of good leaders in the governmental system and by a loss of morale in the nation as a whole—as at the present time. In our case, however, the remedy is known—the adjustment that would set conditions right for this civilisation to pick up again. If history is not to repeat itself this time, we must implement the remedy before the day of grace passes; for another point of similarity in the past seems to have been that all these systems had a longer or a shorter day of grace, a period of time before the fall, in which they could have averted it.

Hearing about them is like watching a procession of all the now extinct animals that have lived on the earth—huge monsters like giant rhinoceroses, or weird flying reptiles, or those enormous ones with the very long necks and tiny heads. One and all they perished (perhaps a few kinds were destroyed by a stroke of ill-luck) because they were unable to tackle some final problem that arose in themselves—their own particular problem, not always the same problem—failed to adjust themselves to the circumstances in which they found themselves; or rather, perhaps, they had adjusted themselves too completely to one set of circumstances, and then were unable to change and fit in with another—like our "science" of economics, which was not designed for the present machine age.

Any "system that works," such as a civilisation or a living organism, will carry on for a long time by the sheer force of its original impetus. That is the day of grace; but it is very definitely a "day" only. It will not last for ever.

Can we succeed where the others failed? The Social Credit movement may be a reviving influence in the veins of the "creature," or a consciousness of the right thing in its mind, but we must make it a directing consciousness—must get the whole creature to move in the right direction. Can we, then, wake the community to the urgency of the situation—rouse them to action? Since we are the people in possession of the remedy, the whole responsibility for the survival, or otherwise, of this civilisation rests on us, now. We have to consider whether it is enough to convert a few others, or even a fairly large number, to Social Credit, or whether, since time is obviously short, we may not have to do something far more startling.

K. M. MILNES.

Scrapping Social Credit.

A short paragraph in THE NEW AGE recently advanced the proposition that it would be as easy to scrap Social Credit as it is to adopt it, provided that it turned out a failure.

Is this true? If so, is it wise to emphasise the fact in propaganda?

Firstly, as to its truth. It goes without saying that the problem of overcoming the resistance of people opposed to Social Credit, and so placed as to be able to prevent its adoption, is stupendous—at least to all appearance as seen by Social-Credit advocates. But this is irrelevant to the real issue, which can be stated thus: Could those people—let us call them the Bank-States-men—*supposing them to approve* of the experiment being tried, design a pattern for it and secure wide and willing co-operation in working it out? If so: Would they, by launching the experiment, incur the risk that, in the event of its failure, the co-operating interests would wish for, and be able to enforce, its continuance?

The answers to these questions can be derived from an examination of such an exemplary scheme as that worked out for Scotland; and readers familiar with its provisions will have no difficulty in seeing that the launching of that scheme would present no difficulties to speak of. *Ex hypothesi* the Press of the country would be explaining its principles and provisions honestly; and when that was done most of the initial hostility of the interests required to co-operate would be removed, and what remained would consist mostly of subdivided hostilities proceeding from mutually irreconcilable demands, the obstructionist sponsors of which would cancel each other out. Self-interested calculation would triumph over doctrinal agitation. A prize in the hand is worth two in the bush—and be that bush called by the name of Justice, Equity, Fraternity, Equality, or Liberty, the vast majority of practical people will take the view that even should there be higher prizes to be won by raiding the bush, well, a prize in the hand will help to finance the raid! They could at least buy the salt to catch the bird.

Now we come to the second question. There is much plausibility in the proposition that the easier a thing is to start the harder it is to stop. And in any case it is self-evident that the starting of anything must produce an alteration of the conditions in which the option to start or not to start is open. During the Protectionist controversy leading up to the General Election of 1906 a Unionist newspaper argued that, after all, if this country found by experiment that Chamberlain's scheme of Protection plus Imperial Preferences failed to fulfil expectations it could be abandoned. Whereupon a Liberal newspaper immediately retorted that the policy of abandonment would need years of organised agitation costing hundreds of thousands of pounds in order to overcome the vested interests which would have crystallised round the faulty policy and would be insistent on its perpetuation. That was a convincing reply—although, if the Unionists had known what we all know to-day about the technique and policy of our banker-statesmen, they could at least have pointed out that the vested interests of High Finance at the back of the anti-Protectionist agitation would be able to put up all the money necessary for its conduct. However, the issue was never put to the test, for the Liberal Free-Traders won a smashing electoral victory over the Protectionists; and we may not doubt that our friends the bankers had more to do with the winning of it than history has recorded. They doubtless acted on the principle that prevention was cheaper than cure, and that the proper time to stop an undesirable policy was before it started!

The history of this conflict will repay further examination, (a) because it illustrates how changes in orthodox policies, or agitations for such, play into the hands of the bankers, or are bent by them to their own purposes, and (b) because by doing so it enables us to appreciate the difference between the problems created by such changes and the problem likely to be created by the fundamental change involved in the adoption of Social Credit.

During the seven years leading up to the General Election of 1906 the Boer War had been fought and the gold mines annexed; Mr. Balfour's Education Act had infuriated Nonconformity by "putting the Church schools on the rates;" the Government had stirred British Trade-Unionism into violent hostility by permitting the South African mine-owners to import Chinese labour into the Rand; and lastly Mr. Chamberlain's fiscal policy, on which he proposed to fight the Election had alarmed a large section of British industrialists who stood to be injured by tariffs. Incidentally, the Australian Commonwealth Act had been passed—an event which would have facilitated the negotiation of Imperial Preferences had Mr. Chamberlain won his mandate (although that may not have been the only reason for it). Now, reviewing this picture of armies of agitators converging on the ballot-box against their common enemy, the result of the election could have been pretty surely anticipated. The bankers were in the happy position of being neutral on all but one of the questions agitated, and of being able to secure a large body of popular support for the retention of Free-Trade policy—the question in which they were interested. They were able to appeal to consumer-interests under the slogan of the "Big Loaf" (Free Trade) versus the "Little Loaf" (Protection)—pictures and models of these loaves being displayed throughout the constituencies.

But, for the very reason that grounds of hostility to the Unionist Government were so mixed, the question of interpreting the electoral mandate, if given to the Liberal Party (as it was in the event) was likely to be difficult. As we all know to-day, the function of interpretation is reserved by the bankers as is their power to impose their interpretation on the Government. And so it was then, although not so tightly as now. So it is not surprising to find that the smashing Liberal victory of 1906 was hailed as a mandate for Free Trade. Neither the Nonconformists nor the Trade Unionists got what they agitated for—the Church remained "on the rates," and, although the Chinese were subsequently cleared out of the Rand, their places were filled, not by white labour (as the Trade Unionists had expected) but by black.

Next to the question of credit policy that of fiscal policy involves the most far-reaching consequences to the industrial interests of a country as regards both their domestic and their international relationships. It can alter the balance of power between various industries within the country, and between them all considered collectively and similar national groups in other coun… tries. Now, if we bear in mind that in 1906 the ba… of Britain were not nearly so tied up with f… affiliations as they are to-day, we shall realise th…

hostility to a fundamental fiscal change could be reconciled with the general interest of the country on the grounds that (a) it would be a leap in the dark so far as its ultimate results to our overseas trade was concerned, and (b) it would enable the protected industries to enrich themselves at the expense of the non-protected inside the country, and by so doing divert political power to them which they would use to defeat attempts to abolish the tariffs. They would build up political fighting funds with profits extracted from the rest of the community. That was why the Liberal newspaper previously mentioned was able to point out that the repeal of tariffs, once granted, would be a long and expensive job. Not, be it noted, because of the attitude of other countries, for they would naturally be in favour of the repeal; but solely because of the attitude of particular interests in this country. It was all a matter of the domestic balance of power—how to alter it back if the changed policy did not fulfil the expectations of its sponsors.

Now we come to the main question. Would the adoption of Social Credit be followed by similar consequences? Assuming for the sake of argument that Social Credit were to disappoint expectations, or (to go to extremes) were to prove injurious to the majority of citizens, would there be any influences preventing or delaying the rejection of the policy? Readers will be disposed to laugh at the very idea, and rightly so. Nevertheless, it is implicit in the warnings which the bankers utter against trying out the experiment. We shall all be " ruined by inflation "—" look at Germany "—and things of that sort. Yes, but the ruin won't descend upon us the next morning. So long as the *principle* of the new policy were applied, the experimental discount and dividend could be as modest as the Government chose to make it; and in any likely case there would be plenty of time to watch results and tendencies before " irretrievable disaster " could possibly overtake us. Look at Roosevelt—he's still a long distance from such disaster, in spite of his omission to adopt any safeguards against inflation.

Very well. The next point is that if undesirable results and tendencies arise, and if, when experienced or detected, they are permitted to continue and develop, the influences keeping the policy in being must reside in some grouping of people. Who would they be? Bankers?—industrialists?—wage-earners?—or, shall we say, consumers, that is, the whole people?

Again: what would be the nature of these undesirable results? It would have to be the disappearance of the benefits initially conferred. Now, the scheme starts by giving more purchasing power to every citizen and providing a monetary incentive to producers to deliver more goods. If the scheme is fundamentally unsound, as the bankers say, then, since it is a coherent co-ordinated scheme based on the alleged unsound principle, it will fail in all directions together, and not in any one by itself. In that case there will be no section of the community wanting to go on with it against the wishes of the rest. The consumer who cannot buy more goods implies a retailer who cannot sell more goods, and cannot order more goods from the manufacturer. The disappointment of any one is the disappointment of all. Rich and poor alike would cease to work the scheme—e producers because it wasn't worth while, and the sumers because they couldn't help themselves. e would be no need for an election to stop it: it stop itself.

There is one more point. Granted that the scheme stops by general consent, it might conceivably be argued that the stoppage would be dangerous. The argument has some antecedent hypothetical plausibility because of the fact that wrong policies in the past have created circumstances inimical to their reversal. But when those circumstances are analysed they are found to be related to just such changes in *balances of interest* as we have discussed in respect of the Protectionist issue. Justly or unjustly, with universal consent or without, the reversal inflicted hardships and losses to certain sections of the community.

Social Credit does not come within the category of such cases. It does not start by disturbing the existing balance of interests; and therefore its cessation would not involve any re-balancing. It reinforces every one of them and reconciles them with each other. That is the claim made for it. If it fails to justify that claim, then the reinforcements and the reconciliation disappear (or do not occur), and the economic system is, so to speak, handed back without damage for the bankers to resume their own policy of managing it.

The conclusion is that Social Credit cannot continue in operation unless consumers are satisfied with it. If they are; then it ought to continue. And it *will* continue, because the satisfaction is felt by a whole community, who, by reason of the extra margin of purchasing power in their possession have an extra margin of economic power with which to back up their voting power in case of necessity.

But why waste time arguing about the possible failure of Social Credit—even hypothetically? Does it not suggest lack of confidence in our case? It can, of course. But judiciously used the arguments do serve to expose the hollowness and insincerity of bankers' warnings that the new policy is too risky to embark on. The fact that they are now graciously certifying the subject fit for popular discussion must not be construed as any weakening of their determination to prevent its adoption. Indeed, evidences are appearing that they are going to appeal to the public under the slogan: " Talk about it; but don't try it."

Gaitskell on " A + B."

[Reprinted, by request, from our issue of December 28, 1933.—Ed.]

" It is evident that the ' rate of flow of prices,' or the sums which have to be charged to cover costs, do *not* include all *payments* made in respect of the production of the article."

So says H. T. N. Gaitskell, writing on " Four Monetary Heretics," Chapter VIII., in the work, planned and edited by G. D. H. Cole, entitled " What Everybody Wants to Know About Money."

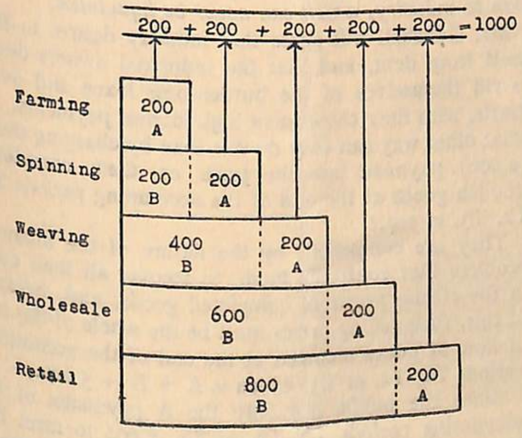
Mr. Gaitskell goes on to say that " The costs which have to be met by the outlay of the consumer are in fact only the costs of the final producer or retailer, and his costs are simply *his* A payments—wages, salaries, dividends, etc., and his B payments—the cost of services and goods brought from ' other organisations,' of which the most important item will, of course, be his stock." " Providing that the retailer recovers these costs, there is no reason why he should not sell his goods and continue to carry on business. The other producers, who do not sell direct to the consumer, must recover their costs too, but naturally they do not rely upon nor deal with *the consumer*. They sell to ' other organisations,' and receive from them a ' B ' payment."—" Since these persons do not sell direct to the consumer, it is obviously an error to suppose that the consumer must pay their costs as well. What he must

pay and what therefore the total A payments distributed throughout the system must equal are just a *single* A + B payment of the final producer or retailer."

Mr. Gaitskell claims that because the consumer does not deal direct with the producers and wholesalers, he does not defray their costs but, since he deals only with the retailer, he defrays only his costs. Mr. Gaitskell gives no clue as to who he imagines does defray the producers' and wholesaler's costs, or with what money they are financed.

Included in the retailer's cost is a B payment which consists of the wholesaler's costs, an A + B payment The wholesaler's B payment consists of the producers' costs, also A + B payments. The retailer's B payment therefore consists of the producers' and wholesaler's costs and, since the consumer defrays both the retailer's A and B costs, I cannot see that it matters whether he deals with producers and wholesaler direct or not, he defrays their costs just the same through his dealings with the retailer.

To illustrate his argument Mr. Gaitskell uses a simple diagram suggested by Mr. E. F. M. Durbin's " Purchasing Power and Trade Depression ":—



It shows (Fig. 1) that costs are made up of A payments, the A payments of the first producer becoming the B payments of the second and the A + B payments of the second and succeeding producers and wholesaler ultimately becoming the B payment of the retailer, whose cost consists of his A + B payments.

If the diagram actually represents facts, there would be no need for the Social Credit proposals, because total wages, salaries, and dividends, A payments, would exactly equal total cost of production, A + B payments. In fact the price factor $\frac{\text{consumption}}{\text{production}}$ would always be unity and with one or two minor exceptions Mr. Gaitskell thinks that it is always unity.

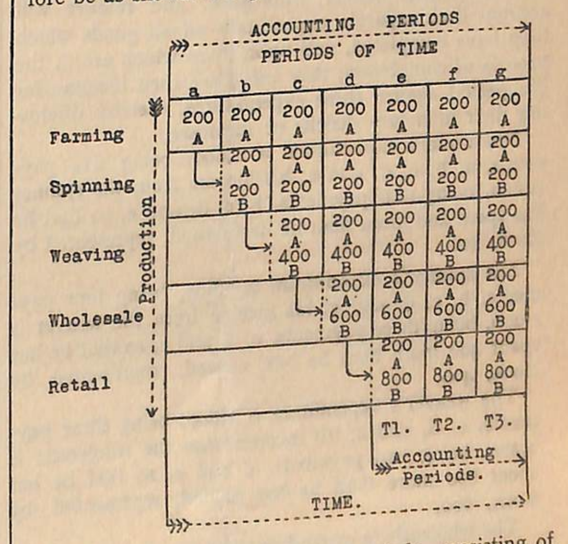
Mr. Gaitskell quotes, with one minor error, Major Douglas's statement of the A + B theorem from the Macmillan Committee Minutes of Evidence, Vol. 1, page 298, and imputes ambiguity to it. To business people who practise cost accountancy it has only one meaning, and that is the one which Douglas states quite clearly, viz.: " The rate of flow of purchasing power is represented by A, but since all payments go into prices, the rate of flow of prices cannot be less than A + B. Since A will not purchase A + B, a proportion of the product at least equivalent to B must be distributed by a form of purchasing power which is not comprised in the description grouped under A."

At the outset Mr. Gaitskell confuses the cost of production, which must be recovered, with " the rate of flow of prices." He does not visualise production and costing as dynamic, and because of this he nowhere imparts the true meaning to the problem which must be treated essentially as a flow.

Although I would not agree that the diagram is a correct representation of facts, since farming, spinning, weaving, wholesale and retail have " on-cost " and " establishment charges," which would be added to their production costs, and to be fair to Mr. Gaitskell he also recognises this, I am prepared to demonstrate that this diagram used dynamically instead of statically can show that *the rate of flow of prices and incidentally the prices which the retailer would be compelled to charge for the products in order to cover all costs* would be 3,000 instead of 1,000 imputed to the retailer by Mr. Gaitskell.

Since cost is a flow, as soon as farming pays out 200 A payments, it immediately proceeds to pay out another 200 A payments, and so on *ad infinitum*. Likewise, spinning, weaving, wholesale, and retail.

To develop the diagram correctly we must look upon it as being the product of a state of society which, as I believe Pigou puts it, " is in a perfectly steady state of self-repeating movement." The diagram will therefore be as shown in Fig. 2.



Production is divided into five periods, consisting of farming, spinning, weaving, wholesale, and retail. Each period is assumed to be of equal duration and cost, and A payments are made at the end of each stage to those engaged in industry either as workers or investors. It is understood that these A payments form consumers' purchasing power.

In such a state there will be five parallel lines of production proceeding simultaneously, each of them at a different stage at any one time. Each stage in any one of the five lines of production ends coincidentally with the end of a stage in each of the other four.

The A payments paid out at the end of each stage are assumed to be completely absorbed in the prices charged for the commodities which they buy so that no money is saved.

Let T_1, T_2, and T_3 be three successive accounting periods during which woollen cloth is completed and made available for sale at the end of each of the periods, and that simultaneously woollen cloth four stages of incompleteness at any one of these accounting periods.

The rate of flow of cost prices at T_1, T_2, or T_3 is shown to be:—

	A payments.	B payments.	A + B payments.
Farming	200	—	200
Spinning	200	200	400
Weaving	200	400	600
Wholesale	200	600	800
Retail	200	800	1000
Total	1000	2000	3000

The explanation of this diagram in the terms of Major Douglas's statement to the Macmillan Committee is that, the rate of flow of purchasing power to individuals at each accounting period T_1, T_2, or T_3 is represented by A (1,000), but since all payments go into prices, the rate of flow of prices cannot be less than A + B (3,000). Since A (1,000) will not purchase A + B (3,000) a portion of the product at least equivalent to B (2,000) must be distributed by a form of purchasing power which is not comprised in the description grouped under A.

Let us look at it in another way and assume that at the end of period T_1 analysis of all costs are made, such as might be done at the end of a year. The farmer, spinner, weaver, wholesaler, and retailer will account their separate expenditure on all goods which they have completed, and upon those which are in the process of completion; they will place their incomes for the period against these expenditures, thereby disclosing their monetary deficits or surpluses.

The farmer's expenditure is 1,000, being five payments, a, b, c, d, and e; his income from the spinner is 800, being four payments, b, c, d, and e, so that he has spent 200 more than he has earned, represented by stock, 200.

The spinner's expenditure is 1,600, being four payments, b, c, d, and e; his income from the weaver is 1,200, being three payments, c, d, and e, so that he has spent 400 more than he has earned, represented by stock, 400.

The weaver's expenditure is 1,800, being three payments, c, d, and e; his income from the wholesaler is 1,200, being two payments, d and e, so that he has spent 600 more than he has earned, represented by stock, 600.

The wholesaler's expenditure is 1,600, being two payments, d and e; his income from the retailer is 800, being one payment, e, so that he has spent 800 more than he earned, represented by stock, 800.

The retailer's expenditure is 1,000, and he can collect from consumers 1,000, so that his expenditure will balance his income.

The position is that the farmer is out of pocket to the extent of 200, the spinner 400, the weaver 600, and the wholesaler 800, making a total monetary deficit, spread over the four producers who do not deal with the consumer direct, of 2,000 on the trading period.

Under the existing laws of cost accountancy, the necessity for industry to free itself from debt, and the insistence of the banking system on the repayment of its loans, this monetary deficit will have to be carried forward into the accounts of the succeeding period, T_2. By hypothesis, the prices of the goods must, "in a perfectly steady state of self-repeating movement," be increased in the case of the farmer by one-fifth to 240, the spinner to 500, the weaver to 800, the wholesaler to 1,200 (since the farmer performs 5 operations to the spinner's 4, the weaver's 3, and the wholesaler's 2, in one accounting period of 5 units of time, a, b, c, d, and e). The retailer's B payments will thus be 1,200, and, with an A payment of 200 as before, his cost (A + B) will be 1,400. But since consumers will only have 1,000 as before, the retailer's monetary deficit will be 400.

A revaluation of prices upward will have to be made again for the period T_3, in order to attempt to recover the monetary deficit. This process is repeated until it becomes impossible and, in fact, it will be found necessary to curtail production owing to the accumulated unsalable stocks held by the producers, wholesaler, and retailer.

It follows, therefore, that there will always be a constant unliquidated B cost of 2,000 at the end of the accounting periods, T_1, T_2, or T_3. This is represented in production by woollen goods in all stages of incompleteness in the example taken. (In actual fact, it is not only represented by goods in all stages of incompleteness, but also by completed goods and depreciating capital assets of all kinds, including savings.)

The B (2,000) *requires to be in the form of a constant loan to industry, which can never be liquidated.*

Mr. Gaitskell will agree that industry desires to free itself from debt, and that the industrial owners desire to rid themselves of the burdensome loans and overdrafts, with their consequent high interest payments. In what other way can they do this than by charging the B (2,000) payment into the price of their completed woollen goods at the end of the accounting periods T_1, T_2, T_3, *et seq.*?

They are compelled, by the nature of the financial problem that confronts them, to recover all their costs in the selling prices of completed goods, and, because of this, their selling prices must be the whole of the rate of flow of prices incurred at the end of the accounting periods T_1, T_2, or T_3, which is A + B — 3,000.

Since the public has only the A payments of the accounting periods T_1, T_2, or T_3, 1,000 to meet this charge, it follows that stocks of goods will be unsaleable, and must ultimately be liquidated at a fraction of their cost by the process of reducing production and bankrupting the owners of the stocks.

If Mr. Gaitskell imagines, as he seems to, that the prices to be recovered from the consumer consist only of the industrial cost of completed goods, to which may be added, if the nature of the demand permits, a nominal profit, how does he account for the urgent necessity which exists at present for hire-purchase, deferred payment, and such other credit devices as are instituted in order to attract purchasers for the voluminous products of industry?

Since the only source from which credits are ultimately recoverable, under the existing monetary practice, consists of wages, salaries and dividends, it follows that business people are compelled to charge, in prices, cost which does not rightfully belong to the particular articles which are available for sale. This is mainly responsible for the very high charges which industry is carrying.

Because of this tendency, prices are always increasing, despite the natural reduction in real costs of production which take place as the result of improvements in industrial processes.

Mr. Gaitskell gives four other diagrams, all based upon the original diagram (Fig. 1), which has already been criticised. Each contains the same fallacy based upon the static conception of cost accountancy and upon the erroneous assumption that consumers do not have to pay the retailer the aggregate of *all* costs, but only the aggregate of the retailer's costs.

J. ADAMSON.

Fascism.

"Perhaps a great Charlatan—political scallywag, buffoon, liar, stump orator, and in other respects popular favourite—may some day arise who is nevertheless a *statesman*—the combination is not impossible—and who, having attained power by popular acts, may use it for national ends. It is an off-chance, but I do not see any other."

(Milner, letter to Lady Edward Cecil, *The Milner Papers*, Vol. II., 1899-1905.)

* * * *

"Italian Fascism now requires, under pain of death, or, worse, of suicide, to provide itself with 'a body of doctrines.' . . .

"The expression is a rather strong one, but I would desire that within the two months between now and the National Congress the philosophy of Fascism be created."

(Mussolini, letter to Bianchi, Aug. 27, 1921, reprinted in *Message et Proclami*, Milan, 1929, p. 39.)

* * * *

"Doctrine, beautifully defined and carefully elucidated, with headlines and paragraphs, might be lacking; but there was to take its place something more decisive—faith."

(Mussolini, *The Political and Social Doctrine of Fascism*, p. 10.)

* * * *

Professor G. Volpe (Professor of Modern History in the University of Milan), the official spokesman of Fascism, in the *Yearbook of the International Centre of Fascist Studies* for 1928, describes the early programme of Italian Fascism as "a nebulous programme at first . . . somewhat demagogic and revolutionary." Amongst others, it contained the following:—

Abolition of the Monarchy, Senate and Nobility.

Republic, and Universal Suffrage to elect a Constituent Assembly as Italian Section of the International Constituent Assembly of the Peoples.

International Disarmament and Abolition of Compulsory Military Service.

Confiscation of Church property.

Confiscation of war super-profits, and a capital levy; abolition of the Stock Exchange and dissolution of limited liability Companies and Banks.

Land for the peasants.

Transference of control of Industry to Syndicates of Technicians and Workers.

* * * *

"I shall not allow Fascism to be altered and made unrecognisable by changing from republican tendency, as I founded it, and as it ought to remain, to a monarchical, nay more, a dynastic movement. Our symbol is not the escutcheon of the House of Savoy . . . It is not permissible to preach one thing and practice another."

(Mussolini, in the *Popolo d'Italia, May* 24, 1921.)

* * * *

The day following:—

"Fascism is superior to monarchy and republic. . . . The future is uncertain, and the absolute does not exist. . . Those who would draw the conclusion that Fascism espouses the republican cause, and regard the setting up of the republic as a prime necessity, reveal a lamentable want of understanding."

(Mussolini, in the *Popolo d'Italia*, May 25, 1921.)

* * * *

"Fascism is the strongest of all heresies that strike at the doors of the churches. . . Away with these temples that are doomed to destruction; for our triumphant heresy is destined to illumine all hearts and brains."

(Mussolini, in an article, April 3, 1921.)

* * * *

"In the Fascist State religion is considered as one of the deepest manifestations of the spirit of man, thus it is not only respected, but defended and protected."

(Mussolini, in Encylopaedia article on Fascism, 1932.)

* * * *

"The idea of the sovereignty of the State and of national unity is the primary motive underlying the Fascist theory of government."

(Pitigliani, *The Italian Corporative State*, 1933, written "in close contact with the Ministry of Corporations." A semi-official work.)

* * * *

"Fascism believes neither in the possibility nor the utility of perpetual peace. . . War alone brings up to its highest tension all human energy and puts the stamp of nobility upon the peoples who have the courage to meet it."

(Mussolini, *The Political and Social Doctrine of Fascism.*)

* * * *

"In eternal warfare mankind has become great—in eternal peace mankind would be ruined."

(Hitler, *Mein Kampf*, p. 149.)

* * * *

"Fascist organisation is the method of world peace among nations bound together by the universal Fascism of the twentieth century."

(Moseley, *Fascism in Britain*, p. 7.)

* * * *

"We have no belief in programmes nor plans, in saints or apostles. Above all, we have no belief in happiness, in salvation, or in the promised land."

(Mussolini, *Popolo d'Italia*, Jan. 1, 1922.)

* * * *

"Fascism denies the materialist conception of happiness as a possibility."

(Mussolini, *The Political and Social Doctrine of Fascism*.)

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.

Wednesday, January 30, 8 p.m.—Lecture by Edgar J. Saxon, Editor of *Health and Life*, "Why I Stand for Social Credit."

Birmingham Douglas Social Credit Group.

January 9.—Subject to be announced.—Dr. J. E. Purves.

January 23.—The Common-sense of Social Credit.—L. D. Byrne, Esq.

February 13.—Resistances to Social Credit Propaganda.—P. R. Mason, Esq.

February 27.—Life or Money?—A. L. Gibson, Esq.

March 13.—World Affairs from the Social Credit standpoint.—E. H. Bill, Esq.

March 27.—The Emergent Order.—Dr. Tudor Jones.

Cardiff Social Credit Association.

Until further notice, discussions and debates will be held every Tuesday, at 7.30 p.m., at the Angel Hotel, Cardiff, beginning November 27. All are invited. Collection.

The New Age Club.

[Open to visitors on Wednesdays from 6 to 9 p.m. at the Lincoln's Inn Restaurant (downstairs), 305, High Holborn, W.C. (south side), opposite the First Avenue Hotel an near to Chancery-lane and Holborn tube stations.]

What Will Remain?

By R. Laugier.

VI.

"I have decided, at the risk of seeming superficial, to confine this discussion to Man."—Frank Moore Colby.

There was, of course, revolt against cant, and the dehumanised, dreary hideousness of Business life. I think, however, it must be admitted that the artists' revolt was not extremely well devised or carried out. As a fact the artist is not, perhaps, the best type to deal with costing-accountancy, and certainly it is not his province. The scientists should have done the job. As it is, De Quincey, Ruskin, Wilde, Richard Jefferies, did not deal with finance and economics too discreditably: at least, they always regard life from a human standpoint. At times Ruskin gets very near to economic truth; so does Carlyle; so does Wilde in *The Soul of Man*; so does Jefferies in *The Story of My Heart*.

Some artists revolted with a written word that was too rhetorical and sentimental. I think sentimentality explains why Dickens did not produce greater results. But it must be remembered that everything was against the artist, even if he had private means; and to me, at least, it is certain that the world has lost, irretrievably, the work of many splendid artists of whom we have never even heard. Also the whole people are to blame for misery in the past and in the present. The artist cannot be expected to play Peter the Hermit. If the people turn from Art, the artist is helpless. He is not a preacher, but an "amuser"—one who would entice, attract, persuade: only too often when the artist turns prophet he becomes, not a messiah, but merely a third-rate artist. It is possible to find in the writings of most great English authors statements that harmonise very effectually with Social Credit and Economic Democracy. It is not unprofitable to resurrect this wisdom. But I think it is a hundred times more gainful to realise that *all* art is an attack on Financial despotism, and the religion of competitive industry, "success," etc. There is not an artist practising Art who does not, in the tone, and style, and substance, and inner significance of his work, show to the attentive that life as Business is a foul blasphemy. I don't care what mistakes the artist may make. His whole life is lived in a fashion that would destroy the despotism of Finance, if the artist were commonly imitated. Listen to, let us say, the third movement of Bach's *Italian Concerto*; listen to this with the attention and apprehension it deserves, and then see if the latest report of the "City Editor" does not sound like the baying of an insane mongrel beneath the moon. Ireland, Spain, China, some "savages" on their islands, these refuse the lure of Business so long as an ancient culture still whispers wisdom.

When American business-men took "civilisation" to Mexico, they enclosed the common lands, as per historical specification. They built factories, but still it was not easy to get the artistic Mexicans into those factories, even for high wages. Then one American (was he of Irish stock?) said to the Mexicans: "You fellows don't know the fun you're missing! You come and see all the little gadgets, and wheels in my factory! You'll have the time of your life!" So the Mexicans came to his factory, for low wages, *to play*. And he had to push them out at night. (See Lincoln Steffens' *Autobiography*.)

I believe that the artist never betrayed the people, and the people have never intended to betray the artist; but the people permitted the Puritans to banish Art and destroy cultural values. France, Spain, Italy—the non-puritanical countries are, at their most "business-like," only feeble imitations of England and America. As for Germany, people who do not realise that the German has a natural love of brutality and slavery, are incapable of reading that history which is "philosophy teaching by experience." The wittiest German pointed out this fact; and Heine had to be a Jew, and a "Frenchman," to possess the necessary wit!

A German who had, and still has, enormous influence upon modern thought is Schopenhauer. His fine, vigorous intellect is very seldom examined in its entirety; the culture of Schopenhauer has, for the most part, been taken in patches, and the scraps and snippets afford a poor cloak. No one reads *The World As Will And Idea*, and few have time or money for this, or for the *Two Fundamental Principles of Ethics*, but everyone is familiar with the Schopenhauer aphorisms. For one thing, here is a rare genius who has the writing technique to make even the German language behave, and who wrote on "Style," "Reading," "Logic," "Human Nature," etc. Consequently people who would never dream of reading, say, Kant on aesthetics (and could not understand him), yet read Schopenhauer in hundreds of thousands. Little books, at a shilling or so, are purchasable everywhere, and these contain such culture and spiritual solace as the following:—

The world is kept going by the medium of two simple impulses, hunger and the instinct of sex, helped perhaps a little by boredom.

Life presents itself as a task, the task that is of subsisting, "de gagner sa vie."

It may be said of man in general that befooled of hope, he dances into the arms of death. There is the insatiability of each individual will, every time it is satisfied a new wish is engendered and there is no end to its eternally insatiable desires.

We are now in the sphere of human nature, red in tooth and claw. Men are insatiable. In the words of Machiavelli, they are "wolves and tigers." The "super-man" will cut out sentimentality, and deal with these ingrates, wolves and tigers, as they deserve. The "super-man" will obey his "will to power," and so on.

The psychological impulses that link up with Schopenhauer's thought are such as infect utterly different types of men. On the one hand, the solitary saint and the martyr arrive through the "will" at an arrogance which causes organised society to put them out of the way, lest they destroy society. In this connection, I do not regard it as a legitimate criticism of the Church to utter the gibe that Churchmen would crucify Christ if He came again. Of course, the Church would do so: any other organised body would kill the saint. Saints have no part in society and no part in ordinary normal human life. From Christ to Blake or Gandhi—somehow, society must dispose of them, kindly or unkindly.

Man is born unto trouble
As the sparks fly upward.

Another type who lives in accordance with the Will, and cuts out sentiment, is the man whose god is Duty. I have quoted Wellington as saying: *"There is little or nothing in this life worth living for, but we can all of us go straight forward and do our duty."*

Intellectually speaking, this observation is quite insincere. No man could manifest Wellington's passionate activity if he thought life was not worth living. Successful soldiers have the same passion and driving force as the saint, only in lesser degree. They belong to the same ruthless type. They become dehumanised. Nelson did his "duty" in the Bay of Trafalgar, as every English schoolboy knows; but Nelson also performed his "duty" in the Bay of Naples, and with *that* event no English schoolboy will be familiar. It does not matter whether the Will is Pagan or Christian, Pantheistic or Puritan, the religion of the Will means that its individual exponent will do what he damned well please, and never lack a good motive for his actions. Saint, philosopher, soldier, martyr, Puritan, millionaire—they will obey the Will of God when they find that Will synchronising conveniently with their own. But violence and brutality not only fail to produce a "super-man," they fail to produce a man. Beware of the "humility" of your Messiah, your Spinoza, your General Gordon, empires and thrones disappear before that "humility"! On the plane of the absurd the "servant of God" in his humility resembles the millionaire with his "austere and

simple taste"; both are content with very little, provided they have got all they wanted. But the mad saint desires, primarily, an overt power over himself; the mad financier lusts after covert power over others. A distinction and a difference.

Pessimism in Art started, of course, long before Schopenhauer, but I doubt whether pessimism attained to any popularity before the French Revolution. Also, in Schopenhauer's ideology, there are far more insidious things than what is commonly meant by "pessimism."

An example of thought, precisely similar to that expressed in my last quotation from Schopenhauer, is to be found in Dryden.

When I consider life 'tis all a cheat,
Yet fooled with hope, men favour the deceit;
Trust on, and think to-morrow will repay;
To-morrow's falser than the former day;
Lies worse, and while it says we shall be blest
With some new joys, cuts off what we possest.
Strange cozenage! None would live past years again,
Yet all hope pleasure in what yet remain. . . .

Here is the same thought as Schopenhauer's, but no one would call Dryden a pessimistic poet.

The very word "pessimism" is modern in vulgar usage. I think Pessimism really began when "human life was raised to a science." There is much virtue in that word "raised"! And in the use of the word "human." At one time we said "human" to differentiate Man from God; latterly, whenever we said "human" we desired to differentiate between Man and an animal. In neither case does any confusion seem very likely, for if Man got mixed up, presumably God would not. But if any confusion could arise, I fancy it would be better for Man that he were merged divinely into hero, demi-god, and god with Greek culture, than miserably mistaken for an ape or a "labour-charge" with modern sciolism.

Has a normal, *healthy* man of genius ever prosecuted a continual attack upon the environment and existence of mankind? I doubt it. Schopenhauer was embittered by poverty and obscurity, and suffered from syphilis—in those days a serious misfortune, and a disease which notoriously has curious effects on mind and body. We need not go to the East for Schopenhauer's views upon women: he learned about them in the West, and part of his poverty came through pushing a lady downstairs and having to pay for the amusement. Also there was insanity in Schopenhauer's family, and his father probably committed suicide.

I should imagine that modern Science, and, more particularly, sciolism, owes much to Schopenhauer. He borrowed the pantheism of Spinoza; and the Jewish philosopher, by merging Man and his universe into a nebulous entity, took away from Man that concrete world which men could see, smell, handle, and modify. I sometimes fancy that there has been an eternal struggle between what I will call the Greek mind and the Jewish mind, and I think, in this connection, the German has come down heavily (ironically enough) for the Jew. The Greeks gave us a world we might control, and refused to admit that Man could not turn the world over, "given the right lever," which he could find. The typical Jewish philosopher slips the world from under Man's feet, like a snatched carpet on a polished floor, and unhappy Man comes down with a bang.

Where wast thou, when I laid the foundations of the earth?

Devastating, of course. And if Man asks: "Where were you, oh Jehovah, before those foundations were laid?" no doubt the Jewish poet or prophet will get out of *that*; if not, the German transcendentalist will give a helping hand. Relativity, so far as one poor grovelling man can apprehend it, leaves mankind without even his trusty foot-rule with which to measure. Well, all I can say, with a painful catch in my voice, is: "I don't believe it." The animals have adapted themselves fairly well to environment, why not Man?

(*To be continued.*)

John Bright's Fire.

[A reminiscence by "R. R.," the author of the series of articles entitled *Rural Life and Lore*, published in THE NEW AGE a few years ago. The story is authentic in every particular, and could be verified in the judicial annals of Ilfracombe. The following version is set down by John Grimm from "R.R.'s" narration. The names of persons have been invented.]

T'was back along when insurance was first started on the countryside. Us folk didn't know nothing about insurance except it might be for getting buried. But fires was new. And now I'll tell you something what happened about that—is this:—

There was a bloke in our village, name o' John Bright. Been in the marines, but was now retired in a manner o' speaking. He'd married a girl, and they lived in a little cottage fronting the bay under Hillborough Hill.

Well, one day, back at the time I'm tellin' about, some of the chaps meets John in the pub, and they says to him:

"Hullo John, have you heard of this new business they'm up to? You pays in half a crown, and if you 'aves a fire up 'ome you gets fifty pounds."

"Get away!" says John, thinkin' they was pulling 'is leg.

"It's true—you ask Mr. Scantlebury—he's a-doing of the business 'isself."

Which he was

At last they got John to believe the news; and he said: "A proper good idea. I'll join it."

So he goes and sees Mr. Scantlebury and pays his half-a-crown. And everything was in proper order.

Well; come a day when John was a bit pushed for money. So he decides he'll have a fire. A true man, mind you: didn't mean no harm. So he goes out collecting straw here, and bits of wood there. When he gets 'em indoors he holds a committee meeting with his wife about the best place to start the fire, and they decide to pile all the stuff under the staircase. Then he goes and gets a can of paraffin and drenches the heap so's to give it a good start.

Now, mind you, all this was done open, so's anybody could have seen what he was doing if they had a mind to notice.

Well, he sent his wife off somewhere, and so soon as she was out of the way he started business.

When he's lit the stuff, off he goes up the Hill where he sits himself down to watch the fire, and think about the fifty pounds he's going to get.

But he hasn't been watchin' long before along comes the local fire brigade. Someone had given the alarm. I must tell you that in the brigade was some of John's mates. Anyhow, so soon as John sees them arrive and start putting water on the fire, he races down that Hill like a two-year-old, and arrives at his place.

"What the devil be you coming and interferin' for?" he shouts at 'em.

"Why, to put out the fire, you cracked fule," they shouts back at him.

"What!" says John. "Here, you go away and mind your own damned business—I don't want you coming and upsetting all my plans."

Consequence was, John was brought up afore the magistrates. The case was opened, and then they asked him what he'd got to say.

"'Tis like this 'ere," John up and says. "This is business. I paid Mr. Scantlebury half-a-crown to insure my home against fire, and if I had a fire I was to get fifty pounds."

The magistrates tries all they know to get him to see that he musn't start a fire himself. But he won't see it at all—he keeps on telling 'em:

"Nothing was told me about that: I was told that if I had a fire I would get fifty pounds."

And nothing won't budge him neither. He thinks he's been robbed, and pretty near tells 'em so. In the end they give him four months.

After he come out, of course there was jokes ma about the affair. When he'd come into the pub his mates what was in the brigade used to say: " Had another fire, to-day, John? " And John wouldn't be shamed at all, he would up and say to them:

" Yes, and a pretty sort of pals *you* be to a man, comin' and doing him out of his money like you did."

Then someone might say: " Well John, we'll come late next time."

And he would say: " No good now; they won't have me in the insurance again. Dirty business I call it, taking a man's half-crown, and then, when he has money to come what they promised him, puttin' 'im in gaol."

* * *

[And so ends the story of John Bright, " a true man." Yes, and if he were alive to-day he would surely have had fuel added to his discontent when he read all about the thousands of other true men setting alight their coffee, wheat, and all sorts of things—and getting financial rewards for doing so. John could have " joined " the business, as he would say, and this time have the laugh on his mates. In any case it's no far cry from the destruction which creates price-values to that which John hoped would create a nest-egg. " Meaning no harm "—no, and by that token do our industrialists to-day deserve the village fireman's simple epithet—*cracked fules*.—J. G.]

Music.

Egon Petri's Lectures, Royal Society of Arts.

On November 25 Mr. Petri concluded his course of four lectures and demonstrations on pianoforte playing.

Unlike many who possess transcendental technical attainments, Mr. Petri is well aware of both *what* he does and *how* he does it. He also possesses the happy ability to give a lucid and logical exposition of his very sane, sound, and commonsensical approach to the study of pianistic problems, as well as a livening fund of anecdote, simile, and wit.

It is hardly necessary to go into detail in this matter, which is not instructive unless treated at length and with the practical aid of the piano, but a few of the salient points may be mentioned. Mr. Petri having made such an exhaustive investigation of the mechanics of execution, naturally does *not* advocate the interminable grind and drudgery that is still imagined—in certain quarters—to be the basis of successful performance. *Concentrated* practice is obviously the only possible method of attaining anything valuable, and this, equally obviously, cannot last as long as mere mechanical reiteration or strumming. Practice in the best sense implies constant analysis of what is being done, and how it is done, and hence the eradication of noxious physical and mental habits that serve only to waste time.

Mr. Petri quite rightly has little use for scale practice (save for learning fingering and formation) or studies of the Czerny chocolate-pill-type; on the contrary, he advises genuine music containing technical difficulties, such as Bach, Chopin, etc., inasmuch as the pupil is thereby given something compelling him to think.

Mr. Petri dealt fully with the parts played by the arm, forearm, hand, and finger, emphasising their interdependence, and pointing out how, although a working knowledge of the muscles is desirable, minute physiological information, so far from being necessary, is in reality confusing and superfluous.

Mr. Petri left one in no doubt whatever of his comprehensive and intimate insight on the subject, and it was interesting to note that on most fundamental issues he was in complete agreement with the teaching of that great pedagogue, Tobias Matthay, whose numerous works on piano playing and interpretation should be read again and again by those in serious search of musical and technical truth. Mr. Petri also gave some astonishing playing which demonstrated that his control of the instrument is full and absolute. His programmes included the Chopin Etudes, the six Paganini-Liszt-Busoni Caprices, some Medtner and Busoni, all played with the utmost brilliance and ease.

Anyone studying with Mr. Petri, one imagines, could hardly do other than increase his command of musical expression.

CLINTON GRAY-FISK.

The Films.

" Radio Parade of 1935." British International Production. Regal.

This film is by way of what is known in the trade as a " prestige picture," that is, one on which much time and money have been spent and that is expected to be an outstanding box office success. The latter is a virtual certainty in this instance, since millions of " listeners in " in the United Kingdom will be pleased to see their favourites on the screen. Quite frankly, it is not my kind of film, since I have the misfortune to regard the humour of the B.B.C. as singularly unfunny, but from the production standpoint, it is as good a talking picture as has yet been made by an English studio, and is technically as good as the best American " musicals," although it lacks Hollywood's speed and humour. Cutting would be an improvement, but no pruning could disguise the poverty of the dialogue. An immense cast includes Will Hay, Billy Bennett, Basil Foster, Ronald Frankau, Robert Nainby, the Western Brothers, Clapham and Dwyer, Lily Morris, Nellie Wallace, Clifford Mollison, Davy Burnaby, Hugh E. Wright (who has lately been doing such excellent work at the Embassy), and Beryl Orde, whose imitations of Mae West and " Schnozzle " Durante are the cleverest items of the film. Helen Chandler is colourless and ineffective in the principal feminine role, but it is characteristic of our producers to believe that a leading lady can be selected about as casually as buying a box of matches.

Taking it by and large, " Radio Parade " is good entertainment for the masses, and I have no reason to doubt that it will " clean up " big money. The direction is by Arthur Woods, one of the younger brigade at Elstree, who has just been chosen to make the same producers' " Drake of England," in which Matheson Lang will play the name part. I trust Mr. Lang will, for this occasion, forget that he ever played Mr. Wu.

" What Every Woman Knows." Metro-Goldwyn-Mayer Production. **" Falling in Love."**

Barrie brought up to date gives us the best British picture made in Hollywood since " Cavalcade." It is admirably acted and directed; Helen Hayes and Brian Aherne are perfectly cast as Maggie and John, and it is noteworthy that Miss Hayes does not show a trace of American accent. Dudley Digges, Madge Evans, Lucille Watson, Donald Crisp, David Torrence, Henry Stephenson, and Boyd Irwin are the other players, and Gregory la Cava directed.

The atmosphere is correct, save for a few of the customary blunders which America will make when filming the British scene. The result of a Parliamentary election is not to be guessed at beforehand because a candidate has " carried a ward." English Cabinet Ministers are not in the habit of making open air speeches in Downing Street. And cannot the combined property stores of Hollywood keep in stock a few founts of type that will prevent alleged English newspapers shown in close-up from looking like tabloids?

The English film in the same programme is described by its sponsors as a " Super-Special with the Finest All-Star Cast ever assembled on One Picture." And I won the Battle of Waterloo. Stale situations, maddening slowness of action, tepid dialogue, and an exposure of as much of Margot Grahame's anatomy as will pass the Censor. But Mary Lawson is pleasing; the fact that she has talent for the screen will probably close the English studios to her.

" Forgotten Men." British International Production.

Truth will out, even in a war film. This picture is an assemblage of official cinema photographs made for the Allied and enemy War Offices during the late war and for the greater part never yet shown in public, linked by a commentary by Sir John Hammerton. The commentary should either be excised altogether or drastically cut; it does nothing save emphasise the self-evident, and reeks of the studio. By contrast, Sir Ian Hamilton's brief introduction is all it should be. Of course, this picture does not show war as it is, and a five minute sequence in " The End of St. Petersburg " is more effective than the whole production. But

it has a cumulative effect, and if it does nothing more, it shows the waste and futility of war. But not the beastliness, the mud and slime, the things that once were men festooned on barbed wire, the stench, the trench rats feasting on human entrails, the babies sent mad by air raids, and the injured men still in hospital without limbs or features and kept alive by artificial feeding. Nor does it do anything to show the causes of war, or to depict the human lice in the background—politicians, profiteers, professional patriots, and financiers.

But the least imaginative cannot see such a film without realising that war is not quite such a bloody fine picnic as represented by the Ian Hays and the Bairnsfathers. Women should see " Forgotten Men "; it may help them to visualise the precise meaning of " Your King and Country Call You." It will help them to realise that the number of men killed in the war was more than the population of Greater London, and that twice the number of men who marched away on mobilisation ultimately marched to their death. The film is not history, which demands fulness and truth, but it is a footnote to history, even if it was made only with an eye to the box office.

I saw this film last week in its uncensored form. It is to be shown at the Rialto if the censorship permit its exhibition.

DAVID OCKHAM.

LETTERS TO THE EDITOR.

FASCISM AND SOCIAL CREDIT.

Sir,—I find it interesting to contrast the statements of A. R. Thompson of Fascist policy, with the results actually obtained in Italy. He states, " a Fascist Government in Britain would base money not on Gold but upon the productive capacity of the nation."

Italian index of industrial productions:—

1929	109
1930	100
1931	85
1932	73
1933	80

He states " sufficient money would be placed in the hands of the community to enable the full production of goods and services to be distributed to the people."

Wages and Salaries 1929 equals 6040 mill. lire.
" " " 1932 " 4100 " "

He states, " The Fascist monetary proposals include the raising of the wage and salary standard of the whole community."

Index of wages in Italy.

1931	91
1932	87.5
1933	85.5

The country seems in the grip of sound finance, as the total public debt continues to increase.

Italian total public debt (internal and foreign.)

1928	equals	87,787	mill. lire.
1929	"	88,942	" "
1930	"	89,875	" "
1931	"	93,178	" "
1932	"	97,268	" "
1933	"	98,868	" "

Unemployment shows a considerable increase.

Wholly unemployed in Italy.

December,	1929	equals	408,748
"	1930	"	642,169
"	1931	"	982,000
"	1932	"	1¼ million
"	1933	"	1⅜ million

According to Mr. Chesterton this will seriously affect the high morale of the country. Perhaps, however, the fact that in December, 1931, out of 982,321 unemployed only 195,454 received unemployment pay, will minimise this decay.

To sum up, I should say that, although there has been a profound *political* change, yet the *financial policy* is unaltered, and that, despite the promises of the Fascists, the conditions in Italy correspond with the results obtained by sound finance everywhere.

R.61.

" TREE-FELLERS, LTD."

Sir,—The payment by the timber company to Tree-fellers, Ltd., is a payment to another organisation, and is, therefore, a B payment within the definition of the Social Credit A plus B theorem. As far as the timber company is concerned, the payment of the £300 to Tree-fellers, Ltd., is not a disbursement of incomes to individuals, therefore in respect of the timber company's own transactions there is a deficiency of purchasing power at least equal to B in accordance with the Social Credit definition. The deficiency can only be made good by an encroachment on the A payments from elsewhere, in this case from Tree-fellers, Ltd.

In the special circumstances described in the question, Tree-fellers, Ltd., have no costs, therefore the whole of their disbursements are A payments which can go to make up the shortage of purchasing power which has been shown to occur in the timber company's transactions. It is highly unusual for a concern to disburse nothing but wages, and to have no other costs of any kind. If all concerns were able to work under the conditions postulated for Tree-fellers, Ltd., there would be no shortage of purchasing power, and no need for any A plus B theorem.

R.I.102.

MENTAL DISCIPLINE NEEDED?

Sir,—I do wish people would not write thoughts and notions all higgledy-piggledy as they drift and tumble through their minds. Ideas tipped out like refuse from a dustbin indicate either mental confusion or intellectual laziness. Ideas, to be of the slightest use to anyone, must be carefully sorted and arranged in some logical sequence. Not to trouble to do this is rude and boring.

Under the heading " Women and Social Credit," S. M. W. writes about:—

" A thousand years' influence of Danish customs . . . equal pay for equal work . . . every woman has a voice and a vote . . . it is possible to measure time—in hours . . . ' the devil is God upside down ' . . . Alexander had not conquered Diogenes . . . a ' great ' lady visited one of her cottagers who was ill . . . the clergyman called the following day . . . left his Prayer Book at home . . ."

What is it all about? Even if you fill in the dots, by reference to the letter, it is almost impossible to make head or tail of it. Is it a private chat between S. M. W. and some friend of his (or hers)? S. M. W. is not the only one. I have noticed that, from an intense desire to be intellectually exact (especially as regards the use and meaning of words), Mr. Ezra Pound is liable to fall into much the same kind of cryptology.

S. R.

WOMEN AND SOCIAL CREDIT.

Sir,—Try as one will to hush it this controversy refuses to lie down. But no woman could tamely submit to the suggestion that Social Credit will be " offered as a business proposition." Hang it all, sir, that is the only thing ever offered to us *now*, and as in all business propositions, we lose, the banker wins.

Further, only a woman with the perverted " whorish " business-mind will say, " Be just with wages and salaries before you are generous with dividends." Who wants " justice " or " generosity "? Out upon such heretical folly!

S. M. W. must look beyond the text-books, realise that wages and salaries will, in a Social Credit State, become an inconsiderable and dwindling fragment of most incomes —on which, if I know women, they will not waste breath while the National Dividend steadily increases and becomes really useful. I predict that women will say, " What are wages? Give me my National Dividend—as big as you can make it—I'm going shopping."

If, as S. M. W. asserts, it is possible to " assess values " of work done, how much an hour would she pay (1) a Professor of the London School of Economics, (2) the Editor of THE NEW AGE, and (3) the late Mrs. Norman for her feat in bearing and rearing her son, our Montagu?

I thought there was a snag in that " plan " of " nature's." Now it turns out that the plan not only includes Major Douglas, but Hitler and Mussolini as well. I thought so—and I still urge that women roll up on the side of Douglas and leave the other two to "nature."

Sorry I can't tell any funny stories about old ladies, but this one about " nature " fits my case. The village parson, awarding Bill Brown the prize for the neatest and most fruitful allotment, praised the achievement and remarked how well and how hard Bill must have worked, adding: " with God's help, of course." Whereat Bill exclaimed indignantly: " Blimey, Guv'nor! You ought to seen it last year when God 'ad it on 'Is own! "

GLADYS F. BING.

The Social Credit Movement.

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.

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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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