

# THE NEW AGE

INCORPORATING "CREDIT POWER."  
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## NOTES OF THE WEEK.

### Bankers in Armour.

The *New Economics* (Melbourne) of February 1st does well to revive the story told by Arthur Train, jun., in *The World's Work* some years ago about the structural features of the Bank of France. Many of the details of the story were given in THE NEW AGE at the time; but the date of the issue in which they appeared cannot be traced at the moment. (If necessary it can be looked up.) The account showed that this building was (and is) virtually an underground and underwater fortress combining all the features of a self-sufficing city. The principle of the old drawbridge and moat was brought up to date in the precautionary machinery against "surprises" by invaders, native or foreign. Sixteen-ton chromium-steel revolving-towers carrying seven-ton "steel-cuirassed" plugs sealed and unsealed access to the vaults in the depths. The "key" of this majestic mechanism was in the form of an armoured chariot which ran on a railway track and whose purpose was to engage and press the aforesaid plugs and so open a passage for the transit of bankmen and bullion to and from the holy sepulchre of the golden deity. For the rest, there was an immense chamber called the *Salle des Abris*, in which, upon emergency, two thousand people could be fed, watered, warmed, lighted, aerated, and hygienated in complete isolation from the rest of the city. Lastly, if in spite of all, intruders should break into the water of a subterranean lake could be diverted into the depths, whereupon, as the author said, they would be "drowned like rats while the treasure would be unharmed."

This awesome achievement will go down into history along with others of like nature (cf. the new Bank of England) as marking the apotheosis of mass-advertising humbug. Even if the persons responsible for the

initiation of the work really believed that the safety of civilisation depended on the guardianship of gold, the same judgment will apply. Future generations will see it as a survival of the ancient savage superstition about the efficacy of imitative magic, the practice of which was founded on the belief that the miming of natural phenomena would induce their occurrence. Thus, if rain was wanted the medicine-man would act *as if it were raining*, and then it would rain! If it didn't rain then either the acting was defective or the audience not properly receptive; but in those days prudential reasons forbade vocal criticism of the medicine-man, hence the failure of the magic would invariably be ascribed to the sins of the people—as of course it is to-day. "You might design," said Sir George Paish once, "a perfect system, but the human factor would spoil it." It was a perfectly safe statement to make in the context in which he made it, because his idea of a perfect system was equivalent to that of a perfected technique for the practice of the rites of imitative magic. Thus, he could have said: "You might assemble a thousand umbrellas, each of gilt-edged quality and copper-bottomed stability, which, if all opened simultaneously, would bring down the soft, refreshing rain; but, alas, some bungler among the umbrella-holding celebrants of this rite would be certain to fumble the catch and break the spell of simultaneity."

The logic of this perverted conception of what a "perfect system" ought to be commits the defenders of banking policy to the conclusion that not until the psychology of every individual is reshaped in one identical mould can our financial wizards bring down Prosperity from on high. And they are doing their best to induce or compel submission to the process. "If," they exhort us, "you, while yet impoverished and insecure, will behave *as if* you enjoyed affluence and security, then shall we at last be able to transmute the

potentialities of these blessings into actualities." A cynic might paraphrase this in something like the following formula: "Be proud of your poverty and we will see that your pride goeth not before a fall"! But there be few cynics: most people are predisposed to fall for the imposture, and will applaud the sealing up of their earthly desires beneath the chromium-steel revolving towers and the cuirassed plugs of the Basle Priesthood of Black Magicians.

It must be remembered, however, by those who see through the imposture, that the design of the armoured chain of Central Banks was conceived a long time ago, and that in the interval the Magicians themselves have contributed to the exposure by falling out with each other about the precise function and significance of Gold. It is true that the Master Magicians still insist on the gold standard as the only sure foundation of international financial direction and co-ordination; but they have been unable to prevent the emergence of heretical views among the experts, and, what is more important, they have allowed the fact of the schism to become public news promulgated in the most dramatic fashion, namely, by Governmental announcements of the abandonment of the gold standard. In those countries which have remained faithful to gold, the chromium-steel hoarding-ritual remains appropriate and impressive. But what about other countries?—what about England, who has rejected gold? Why build Nasmyth vaults to house nuts? There is one answer apart from the fact that the new Bank of England was well forward in construction before we went off gold, and it is that the chromium-steel symbolism does keep alive the general delusion that the basis of credit (however it may hereafter be designated) must be something tangible, something to be impregnably guarded and rigidly controlled.

This reflection recalls an amusing reminiscence familiar to our readers, namely, the episode of that £20,000,000 worth of gold which was supposed to be reposing in somnulent majesty beneath the earth and the steel and the water defence-works of the Bank of France, but which was actually in the custody of the Bank of England. This only shows you that a chromium-steel padlock on the stable-door can be employed to conceal the fact that the horse is gone just as well as to prove the fact that the horse is there. The gentleman in New York spoke more sense than he knew when he wrote to a newspaper not long after the war suggesting that the United States' gold-hoard should be cast into a statue and placed in a public square under the protection of a few railings and policemen to keep away souvenir-hunters. It might have been called the Statue of Liberty-Bonds, in which case even the idea of defacing the lady would have come to be regarded as sacrilege. This brings us back once again to the humbug of the whole procedure—except, as we say, as an instrument of mass-suggestion.

#### Rearmament and Reflation.

The decision of the Government to strengthen the fighting services can be plausibly defended on the ground of international economic tension. Military power precedes financial power just as financial power precedes economic power, and economic power political power. Strong as the financial oligarchy is, there are occasions when its exercise of the power of veto on policy has to be used softly if not suspended. Such occasions are those in which the existing balance of national trading oppor-

tunities in what is called the world market seems likely to be seriously disturbed. The *Morning Post's* dictum, often quoted in these pages, that the function of a Foreign Office is to maintain such trading opportunities has its application here. The ultimate bargaining power of the Foreign Office rests in the armed force which it can call to its aid. The reason why it has to bargain for trading opportunities lies in the fact that under the existing banking system the solvency of domestic industry is conditional on foreign trade, and that the penalty of insolvency is unemployment on a scale threatening the dissolution of the State in civil war. Neither statesmen nor the technical heads of the fighting services are likely to hesitate between the alternatives of entering into war abroad to preserve solvency or war at home to suppress the consequences of insolvency. Even a certain and foreseen defeat at the hands of a foreign enemy would be preferable to a bloody victory over their own kith and kin. And this is leaving entirely out of account the most important factor of all, which is that since 1918, when the war which couldn't last more than a few months because of the cost(!) came to an end, the whole world of statecraft (not to speak of the general public) has come to understand that there is no limit to the amount of money that can be provided by the banks. In a word, war is the salvation of the Work State and the solvent of its problems. Yet it is not necessary to infer from the Government's decision that the technical heads of the fighting services are really disturbed about the prospects of war and of their preparedness for it. That is as it may be. But there is another hypothesis, namely that rearmament, like re-housing, is being resorted to at the instance of the banks as a means of ploughing in the prospective Budget surplus which the newspapers were celebrating so exuberantly a few months ago. It suits the banks all round. It provides employment at the taxpayers' expense, and thus allays the unrest recently manifested in the means-test disorders. And on a deeper banking principle, it intercepts and keeps under centralised supervision the money which otherwise might have gone (in relief of taxation) into the hands of private citizens. Readers of these Notes will have no difficulty in seeing that the more the citizens of this country know about the secrets of the money-business the more imperative it is to keep them impotent through impoverishment. As the bankers might say: "Satan finds some mischief still for idle cash to do." Take the situation nearest all our hearts—the need for the financial implementation of Social Credit activities. There is not the slightest doubt that the Movement would have benefited as reversionaries by the grant of relief to the general body of taxpayers. Donors everywhere are saying: "Here is my little bit for the Cause: *I wish it were more.*" Isn't that so? Very well, if you were Governor of the Bank of England would you not consider it wise to deny that wish its fulfilment by diverting the prospective Budget surplus into safe channels?

#### Germany's Military Revival.

The preceding paragraphs were written before the news arrived (last Saturday night) of the German Government's decision to strengthen the fighting forces of the Fatherland. It will be seen that our observations on British rearmament apply also to German rearmament, and the further observations we shall make will cover both policies.

We have already hinted that competition in armaments does not in itself endanger peace. What en-

dangers peace may be put in the phrase: *National Capitalisms competing for revenue*. What drives them to competition is the inability of each of them to maintain solvency on revenue recoverable in its native market. The cause of these inabilities arises from the rules and regulations imposed on each of these Capitalisms by its native Central Bank (as representing and dominating the banking system) as the condition of obtaining production-credits. These rules and regulations have the effect of driving the collective cost of production above the point where the collective incomes of the population are sufficient to meet them. Each Capitalism is thus left with a deficit on domestic account, and has to make this up, if it can, on foreign account. In order to do this, it must secure orders from abroad to the amount of the deficit without placing orders in return, or, where there is reciprocal trading, it must secure orders of a higher value than those which it places, in such a measure that there is a receivable *balance of revenue* equal to the deficit. If it fails in this attempt, it becomes a defaulter within its native banking system, and incurs the penalty of a reduction (and ultimately the cessation) of the bank-credit on which it operates. Quite a brief inspection of this problem is sufficient to disclose a dilemma from which there can be no peaceful escape except on one condition, namely, that the bankers waive or relax the rules under which the deficits are incurred. This they may do under pressure: they may extend the terms of outstanding loans, or they may issue new loans for new production; but since this alleviation is determinable at their own will, and since it simply perpetuates (or increases) Capitalism's indebtedness to the banks, it is a temporary palliative. Now, as previously remarked, the resumption of armaments may involve the issue of new loans, and in that way may lessen the domestic financial tensions of which the gesture of rearmament is the political expression. Naturally, if all the competing Capitalisms can get more orders at home, the urgency of their attempts to snatch each other's markets will be abated.

Just here it will be apposite to make a reference to the disclosures elicited in the United States recently about the alleged improper co-operation between statesmen and Government officials on the one hand and directors of armament firms on the other, in the canvassing for contracts. A lot of nonsense has been talked about "profits" and "graft." The fact is that even if there had been no profits or graft, there would yet have been this co-operation. It is one of the duties of a Government to see that domestic armament concerns are kept in a state of physical efficiency and financial stability; and if they can do this with contracts and revenue from other Governments, they would be fools to neglect the opportunity. Apart from these reasons, there is the consideration that, in whatever country such things as, say, battleships are constructed for another, it is most useful for the Government of the manufacturing country to know the details of the construction (and it always does, because it has the power to veto design and equipment) in case (for you never know) the buying country one day becomes an enemy belligerent. Another powerful consideration is that on an outbreak of war, all warships and munitions in course of construction for other countries can be impounded by the Government of the manufacturing country. You have only to imagine Great Britain entrusted with armament orders for the rest

of the world to realise that while the work was in hand she could be military dictator to the world.

All this is amusing, and not of much moment. The armament concerns, as they are called, are more definitely and undisguisedly "international" in scope than ever they were. It will be safe to say that wherever they may be located they are in much the same position of detachment from national Capitalisms as are the so-called national Central Banks. Their several scopes and opportunities depend upon international financial policy, and this policy is concerned to ration armaments between rival nations on the stalemate system. As Mr. J. M. Keynes might say: "There is no limit to the size of the armies and navies which the Powers may safely possess provided they all keep in step"—i.e., provided no likely combination of them can beat the other. The Bank for International Settlements at Basle may be said to combine the functions of the Central Bank of the Central Banks, the World Directorate of Armament Groups, and the World Marketing Board. That, at any rate, was the intention behind its institution; and whoever accepts the main conclusions from the Social-Credit Analysis will see that so long as the domestic financial self-liquidation of national Capitalisms remains unachieved (and, indeed unachievable) the finance-statesmen represented by the Basle Bank must keep their fingers simultaneously on these three key controls. Whether events will now answer to the keys is another matter, which, happily, it is not our business to try out.

And now to come back to Hitler's announcement, it suggests that Dr. Schacht has procured him a licence from the Basle Board to get on with his conscription. Mr. Montagu Norman had already got Britain her re-armament licence: so the two countries are keeping step so far. Whether the Basle Board will consider an application from France, or whether she will be adjudged to have had her whack already, time will show. However, all's well so far; so let us rest in contemplation of the picture of lucky workpeople finding new jobs in all three countries, and their respective masters loading the pipe of peace with revenue from preparations for war. What a full life we are all living to be sure, ain't it?

Few people will mourn long over the Versailles Treaty. It was pitched in the gold-standard key, Wall Street composed the tune, and the wood wind of Woodrow Wilson evoked from it a *vox celeste* atmosphere. America dominated the national Commissions who assembled at the Financial Conference at Brussels and the Economic Conference at Paris. Mr. Bernard M. Baruch was chairman of the American Commission to the Economic Conference. He and Thomas Lamont (of J. P. Morgan and Co.), whom he described as "a representative of the United States Treasury," drafted the economic and reparation clauses of the Treaty. They also brought in an elaborate report which was approved by the Big Four statesmen (Lloyd George, Orlando, Sonino, and Clemenceau) and made part of the Peace Treaty and the constitution of the League of Nations. Samuel Gompers headed the Commission to the Labour section and also planted on the Big Four an elaborate report, which was made part of the Peace Treaty. The Chairman of the Commission to the financial section at Brussels was a person named Roland W. Borden, but the real American representatives were certain gentlemen sent across unofficially by the houses of J. P. Morgan and Co. and Kühn Loeb and Co. The Versailles Treaty set the seal on the following unholy trinity of principles: Gold—Deflation—Internationalism. Well, to-day, Gold is trying to recover from some rough usage, Deflation daren't show itself anywhere except in disguise, and Internationalism has been looking rather seedy for a long time. The Treaty is a dead horse along with the Dawes, Young, and Hoover emendations and corrections; Hitler's gesture of defiance is belated, and has only the merit of putting Nazidom in good conceit with itself.

## Current Salesmanship.

"How shall ye escape if ye neglect so great salvation?" This text might well serve to represent the undertone of modern high-pressure salesmanship. In the article entitled "Door to Door Selling," published last week, there is ample corroboration of this statement. The writer was within the mark in saying that the turnover of candidates for canvassing-instruction was something like 4,000 a year to maintain a service of merely twenty-five men on the road. The main reason for this has been advanced by someone (other than the above writer) with first-hand knowledge of this subject. It is that success in door-step selling depends upon spell-binding implemented by the dual technique of persuasion and intimidation, and that no canvasser can weave the required spell effectively unless he first, himself, is spell-bound. He must implicitly believe in the verbal inspiration of the message he delivers: he must be in that state of mental exaltation which, in the case of religious evangelists, has often been expressed in the phrase: "a hunger for souls."

This is the reason why what are termed "pep-talks" at headquarters precede the day's round of calls. The experts who give these talks are past masters in the technique of exciting feelings of ambition, or shame, among the staff of the moment. But sermons do not constitute the whole of the "service." There is ritual as well. In some cases the canvasser with the best record of catches on the previous day is stood up on a platform, while the preacher extols his virtue, and exhorts the "poor worms" on the floor: "Go ye and do likewise." The next day, of course, this dragon of efficiency is down among the "worms" and a worm of yesterday elevated in his place. Then there are hymns—literally hymns—to complete the spell and to immunise these pilgrims against the doubts and fears that will beset them in their progress towards the mark of their high calling. Take any article, let us call it the Snodsniff Sweeper: and there will be verses chanted about the virtues of this article, and the moral obliquity of neglecting the protection it offers against diseases arising from germs lurking in carpets.

Behold the Snodsniff Sweeper,  
Clears all the germs away,  
Tetanus, the White, White Scourge,  
In all their dread array.

And speaking of diseases, there is one school for canvassers somewhere in the South of England where during the course of lessons, one session is devoted to a drill, the class being put through physical exercises which consist of acting the symptoms of diseases—simulating the facial and bodily contortions, the gasps, and limps, of victims of such complaints as might be picked up from a carpet not blessed by the Snodsniff! This sort of thing has been personally witnessed by one of our correspondents. He adds also that he has on occasion witnessed the effects of this training on a "prospect," a woman, who, under the ministrations of an adept canvasser, was reduced to a state of uncontrollable hysteria. The effect was exactly the same as used to be seen at revival meetings when the preacher came to the culmination of his exhortation and said: "What if you should die to-night with your sins unforgiven?" Thus: "Your little child, madam. Quite innocently she lays her hand on the carpet and puts her fingers to her mouth. Consider, madam, how you would feel if you afterwards had to watch her tossing on her bed, clutching at her throat like this [illustration given], etc., etc. Ah, do

not run the risk of having to reproach yourself—do not let 'Too late' be your cry by letting Snodsniff pass you by."

Now it is a sign of the essential soundness of human nature that so few of the persons who essay this kind of work find it possible to continue in it. We are told of authentic cases where canvassers, after their day's experiences, have spent the night weeping in sheer despair. And in truth, can anyone conceive a person continuously doing this work with success unless he is a sub-human or a super-human product of nature? It passes the bounds of human toleration—in other words, the acquisition and practice of the technique is a dehumanising influence. It is here admittedly illustrated in its worst form; but the evil nature of the principle is inherent in the high-pressure selling-system as a whole. Sweepers, cleaners, life-policies, etc., it is all the same thing right up to the top where reigns the over-riding system of financing instalment-selling schemes in general.

Happily there are indications that this ruthless stampeding of householders into signing on the dotted line is giving way to the law of diminishing returns. The proportion of signatories who fail to keep up their payments is pressing on the very generous margin which the selling-concerns have hitherto allowed for "back-sliders," and looks like exceeding it, and throwing out price-calculations upstairs. And this is happening in spite of the fact that contracts to buy are legally enforceable. One reason is easy to see: for if, to maintain twenty-five spell-binders on the road four thousand per annum are passed through the schools and are afterwards dispensed with or leave of their own accord, this means that for every spell-binder at the game there are 160 giving the game away in the first year, 320 in the second, and so on. So there is inevitably a Greek-versus-Greek deadlock ahead, even on the doorstep. As for signatures which may yet be obtained in spite of this obstacle, householders are being prompted to dishonour their obligations—and by the canvassers themselves. We know of an authentic case where a canvasser sold to a woman, let us say, a "Snodsniff" Cleaner at £15; and called on her again a few weeks afterwards to offer her, let us say, a "Pecksnod" Cleaner at £5. She had paid one or two instalments to the Snodsniff crowd. "You don't want two cleaners," she expostulated. "I don't have to have two cleaners," replied the canvasser. "You want the best cleaner at the best price; and I've got it right here. Codlin-Pecksnod is the friend, not Short-Snodsniff." "But what can I do?" she helplessly ejaculated. "Do?" replied the other: "You just write and tell 'em you don't want it and they can fetch it away." "But I don't want to be taken to Court and all that—" she replied, but he interrupted: "They won't do that; you take my word for it." Well, she did as she was told, and although she stuck to her decision with the moral support of the Pecksnod ambassador, and ultimately came through the ordeal without a scratch.

One concrete result of this sort of thing is that certain firms will no longer contract to pay canvassers commissions against signatures, but only out of the cash proceeds of the sale when, or if, received. The risk may be "beautifully spread," as Mr. Gibson Jarvie used to say when he was boosting instalment-selling-finance under the alluring designation of Consumer-Credits, but practical traders lack the artistic temperament. All instalment-selling, however financed, is a means by which the spare money of the citizen is taken out of his possession and put under the centralised control of the banking hierarchy. It is an insidious form of deflation.

## The Student's Note Book.

### Note on the A + B Theorem.

The opening statement of this Theorem is an axiom whose self-evidence is as definite as that of the Euclidean axiom that *the whole is greater than the part* and is *the sum of all its parts*. Draw a straight line AC: divide it anywhere at a point called B: then AC is greater than AB or BC, and is equal to AB + BC.

The only matter for argument in the "A + B" proposition that could arise would be the question whether the line AC need be divided at all. The answer could be in the negative supposing that AC represented costs identical in nature and significance; i.e., supposing that AC measured costs exclusively incurred in buying materials, etc., etc ("B" costs), or exclusively incurred in remunerating labour, etc. ("A" costs). But such cases can be ruled out as negligible, for, in current production, no firm can operate without using the products of other firms, nor without using the services of human individuals. There is a point B somewhere along its line of costs AC.

At any given moment of time AC (figures of cost, and therefore minimum figures of price) is greater than AB or BC, and is equal to their sum. And that is true of any number of firms at the same moment of time. Moreover, it must always have been true at past moments of time, and will be so at future moments of time.

### Curiosities of Loan Accounting.

A bank loan creates a deposit. The repayment of a bank loan destroys a deposit.

If a bank (meaning a banking monopoly in a closed credit-area) is lending and recalling loans of equal amounts at equal rates it is creating and destroying deposits at equal rates.

Suppose this takes place over a given period, say 30 days, in the sum of £10 in and out each day. A book-keeping account for the period would show £300 on both sides, and therefore no balance—no deposits. The same result would also appear at the end of each day—no deposits.

Does this mean that no deposits could have existed at any moment during the period? Well, there is a circumstance in which that would be so. It would not take place, for nobody would want it to happen.

It is this. Suppose a borrower is allowed a loan of £10 and then changes his mind and revokes his request. A deposit will have been created and destroyed. For the bank would have debited him £10 in a loan-account and credited him £10 in his current account. The entry in his current account would have been his deposit. Its existence would be terminated when the bank reversed the process and debited his current account and credited his loan account—thus cancelling the transaction. In theory the "life" of this deposit could be so short as not to have existed at all—just the length of time between the borrower's saying: "I'll take it" and saying: "No, I won't."

But the borrower might delay a few days. In that case the deposit would live for that time. But it would be inert; for he would not have transferred it to anybody else. And of course the deposit could

remain on record in the bank's accounts for any length of time without coming out into circulation.

### Cost and Money.

Raw material goes through a series of conversions.

At each conversion a cost is created.

And is carried forward.

And thus accumulates.

The money paid out and charged as the cost is not carried forward; it is either cancelled or used again.

And thus does not accumulate.

### Notes on the Scheme for Scotland.

1.—The reason for putting a money-value on human life as well as on property of all kinds is fundamental. Without life all values are meaningless, together with all standards of valuation. Example: If a whole population were going to die in twenty-four hours the value of their property would be zero.

2.—The purpose of an economic system is to fulfil the needs of persons. Hence a "share" should be identified with a particular personal need, and should confer on the person concerned the title and the facilities to satisfy that need. Any share or bond which is not so identified is valueless in the fundamental sense described in (1). The "recognition" alluded to in this clause is ultimately the recognition of personal titles to consume. If no consumers can be identified, recognition of the titles benefits nobody, and the non-recognition injures nobody. The one test in respect of all investment documents is: Does any person's standard of life depend on "recognition"?

3.—If the annual Dividend described is wholly spent by the recipients in one year, this broadly means that they use up one-hundredth part of the national productive capacity in this time, or the whole of it in one hundred years. This implies that it would take them one hundred years to build up a new installation of productive plant, etc., equivalent in capacity to the existing one. If it can be done in less time, the saving is an added security for the Dividend. If in, say, one-quarter the time, the Dividend is covered four times over; if in a tenth, ten times over. One hundred years from 1933 is 1833. How much of the country's productive capacity has been replaced since 1833?—or, shall we say, how many times has it been multiplied? And, if the year 2033, how many times will the means of production have over-subscribed the means of consumption? How long did it take to rebuild Regent Street? Or, take the recent case of the terrace of nine small houses erected in ten days from the day when potatoes were growing on the site—how long will the houses last?

## Reviews.

"Social Credits or Socialism." W. R. Hiskett. (Gollancz, 1935. 5s.)

The thought has often entered my mind that there must now be a considerable market for books which attempt to point out the so-called fallacies of Social Credit. This thought has again been forced on my consciousness by references which have been made to Mr. Hiskett's book by one or two people, who, I am sure, now that I have read the book, ought to have known better. After all, there must be several thousand Social Credit adherents who will be practically compelled to purchase this book—not because it is inherently going to enlarge their store of knowledge, but merely to satisfy the criticisms that they will receive.

I think this book must be quite unique in respect that the introduction appears to have been written by Doctor Dalton without his having read the book, or, if that is not a true statement of the position, then it follows that the book must have been altered after he read it. In any case, it seems peculiar that Doctor Dalton in his Introduction should refer to a portion of the book which has no existence—at any rate in my copy.

If the author of this book had intended to record a really useful criticism of Major Douglas's analysis, or his proposals, I think he would have incorporated in the book the evidence in chief given by Major Douglas before the Macmillan Committee, and criticised that. Instead of doing so, he omits this evidence in chief and gives in full the questions and answers given orally at the examination. I leave each

individual reader to decide for himself the quality of Major Douglas's oral evidence, only drawing his attention to the consideration of how far the questions put to Major Douglas had any relation to the written Statement of Evidence submitted.

I do not pretend that this is a complete review of Mr. Hiskett's book. I am concerned only at the moment with trying to discover the principal points of difference between Mr. Hiskett's ideas and the ideas advocated by Social Creditors. The vital differences are, I think, two in number, and they concern, first, the Control of Price, and secondly, the Volume of Money.

I find no reference whatever in the book to the statement repeatedly made by Major Douglas, that "The cost of production is consumption." Mr. Hiskett appears never to have heard of it, or, if he has heard of it, it does not appear to him to be of any significance. Repeatedly, when he approaches the question of what price goods shall be sold at, he seems to visualise only one controlling factor, and that is, the amount of money available to buy these goods. Mr. Hiskett is thus thirled to the idea of a Managed Currency, which involves the related ideas of stable money, etc.

Regarding the other question referred to, namely, the Volume of Money, Mr. Hiskett realises that if he is to combat successfully the statement that there is an inherent deficiency of purchasing power, he must maintain that there is in existence in somebody's pocket, or Bank Account, sufficient money, not only to equate the prices of goods for immediate sale, but to cover also the prices of all intermediate products and all capital equipment. This involves a statement to the effect that somewhere or other there is a sufficient volume of money to liquidate all industrial, personal, and national debts, whereas the Social Credit contention is that such a volume of money does not exist, except potentially in the Banking System. So clearly does Mr. Hiskett realise that it is necessary to postulate the existence of all this money that he actually makes the following statement in his book:—

"This view supports the conception of money which we have offered as the only completely adequate one; that the whole of bank deposits are money; that some money is in use, and some in stock; that purchasing-power available to buy final products is merely that proportion of the total which the holders of money desire, from time to time, to employ in that manner; and that the total volume of money is sufficient to purchase, at one time, all final products awaiting sale or in process of manufacture, all raw materials and semi-manufactures, and all the machinery for future production, at its present value after allowing for depreciation. In short, the whole of money would be approximately sufficient to purchase all unsold final products, and all material for the manufacture of future final products, since every cost of production has its origin in a money payment."

The accuracy of the above statement can, I think, be easily tested. The total volume of money, including legal tender and bank deposits, is approximately £2,500 millions. As against that I am unable to say what the total industrial, personal, municipal, and Government debt will amount to, but I think it would be safe to assume that it will be at least twenty times the above figure.

A. S.

**Three Philosophers.** By W. R. Akroyd. (William Heinemann Medical Books, Ltd. 10s. 6d.)

The three heroes of this book, Lavoisier, Priestley, and Cavendish, were, of course, philosophers only in the older sense of the word—natural philosophers, in fact, not moral ones. Mr. Akroyd has combined a triple biography with an account of the emergence of modern chemistry, and the result is a most readable and, to the layman at any rate, instructive book. Lavoisier is impressive as the real man of science; and though his constant attention to the main chance, and his occasional lack of generosity to his colleagues, are disappointing, his character is redeemed by the stoutness of his fight for the survival of science in France after the Revolution. The dice were loaded against him. "La République," pronounced the infamous Coffinhal,

"n'a pas besoin de savants; il faut que la justice suive son cours"; and the guillotine cut short a great career. Joseph Priestley, the inventor of sodawater, and the actual discoverer of oxygen, cuts a peculiarly amateurish figure beside his great contemporary; but he claimed that his lack of experience was a positive advantage to him. "I was led," he said, "to devise an apparatus and processes of my own, adapted to my peculiar views. Whereas, if I had been previously accustomed to the usual chemical processes, I should not have so easily thought of any other." Cavendish is an even queerer figure—the aristocratic recluse who spent his days experimenting in his lonely houses with rows of chamber-pots containing saline solutions. He was absurdly rich, and Mr. Akroyd quotes a charming story of his reply to the banker who, finding that his current account amounted to no less than £80,000, came to ask his client what he should do with it:—

"Sir, there is a person below who wishes to speak with you."

"Who is he? Who is he? What does he want with me?"

"He says he is your banker, and must speak with you."

Mr. Cavendish, in great indignation, desires he may be sent up, and, before he enters the room, cries in his thin shrill voice, "What do you come here for? What do you want with me?"

"Sir, I thought it proper to wait upon you, as we have a very large balance in hand of yours, and wish for your orders respecting it."

"If it is any trouble to you, I will take it out of your hands. Do not come here to plague me."

"Not the least trouble to us, sir, not in the least." M. J.

**"Human Personality and its Survival of Bodily Death."** (Messrs. By F. W. H. Myers. The Swan Library. Longmans, Green and Co., Ltd. 3s. 6d. net.)

This book is the twenty-eighth of a series of books issued under the auspices of *The Swan Library*, and the publishers are to be congratulated on including the late F. W. H. Myers's work, "Human Personality," amongst the publications of the Swan Library, which includes such a galaxy of writers as Thornton Wilder, Richard Jefferies, William Morris, Dean Inge, etc.

In view of the cost of the original work (£2 2s.), published in two volumes, containing over 1,400 pages, the condensing of this work, which entailed great and sustained effort from a research point of view, must be considered a wonderful achievement. Especially is this so, because the value of the psychical discoveries now presented in so small a compass has in no way diminished.

Those who have undertaken this task must at any rate have a vast knowledge of this particular subject, and it is to be noted that their effort has been very conscientiously done from every point of view. The book should certainly be read by all who are interested in occult lore relative to the all-important subject of the survival of Human Personalitv.

**"Since 1914."** By J. H. Landman, Ph.D., J.S.D. (Barnes and Noble, Inc., 105, Fifth-avenue, New York, U.S.A. \$1.50.)

To students of history, this is a compact book of essential facts and its compilation must have necessitated a great amount of research work. The survey of events since the Great War is graphically described in twenty-three chapters, interspersed with ten maps. Many selected text-book references are quoted and given an index of twenty-one pages; the reader is considerably helped in the study of political, economic, social, and cultural aspects of the chief nations of the world now engaged in seeking to find a way out of the chaos of so-called modern civilisation. There is no mention of the new Social Credit Economic Method of Emancipation, and from the tone of the book, one would think that the author had not ever heard of the facts of life embodied in the term "Millions of people are eking out a bare existence amidst a world of plenty." There is not

even a suggestion in the book that these world conditions of poverty in every country of the globe should be duly considered in view of the "way out" shown in the mass of Social Credit literature that can now be obtained.

AGLA.

**Sacrifice.** S. C. Sopote. (Pen-in-Hand Publishing Co., St. Michael's-street, Oxford. Price 1s. net.)

This is a small book of forty-eight pages, and it contains practical philosophical ideas which every Social Credit student should make himself (and herself) familiar with.

A new light is thrown on the development of the mental binding effect through the power of sacrificial obsession, and the path to be taken to obtain liberty is powerfully shown. Psychologically, it is well known that there is such a thing as mental assassination, and the writer of this excellent book definitely proves the fact that the idea of sacrifice is not a constructive power in life, but, on the contrary, one of the most destructive modes of mental inferiority. This destructive force is traced as working through all grades of social life, and there are twenty-three chapters devoted to lucid and creative methods of overcoming the power of the fixed idea, the ramifications of which can be clearly observed in all stratas of so-called civilisation. The perusal of this book will undoubtedly bring an illuminative and helpful philosophical attitude of mind into manifestation, and the author is to be congratulated perhaps to the same degree as the discoverer of the economic flaw and remedy necessary in this age of poverty amidst plenty.

AGLA.

**The World of Man.** By Georg Groddeck, M.D. (The C. W. Daniel Company, 46, Bernard-street, W.C.1. 10s. 6d. net.)

Dr. Georg Groddeck died on June 11, 1934, at the age of sixty-seven. It is difficult to say what will be the ultimate result of his teaching from the psychological standpoint, but it is beyond question that he has made revolutionary discoveries which may cause the inauguration of a new school of psychology, although many readers may not go all the way with him in regard to what some critics might consider his Holist ideas.

This book teaches the existence of independent entities in the mind-body which is exactly opposite to the doctrine enunciated by Professor McDougall in his work *Physiological Psychology*.

To Dr. Groddeck, the terms "body and mind" are purely relative, certainly not antithetical. "The It is all that counts, and when I speak of body and mind I think of them only as phenomena—or, if you like, functions of the It; for most purposes, however, I find it sufficient to use a word which includes them both, the word 'life.'"

But Dr. Groddeck postulates many "Its" in the body, each organising and controlling the different parts of the body—spleen, lungs, heart, etc. This may be entering into the domain of fantasy, but it is a fact that an explanation is still required as to the cause of the latent healing-processes which actually occur when parts of the body are hurt. That this curative healing does take place is well known, and Dr. Groddeck essays to throw some light on the matter in his writings, particularly in this last work which has been so well translated by Miss Mary Collins. He shows the way to scientific development of perception.

AGLA.

**Caliban Shrieks.** By Jack Hilton. (Cobden Sanderson, 1, Montague Street, London. 6s. net.)

Here is a graphic history of the last twenty years in the life of an unemployed Lancashire working man who was one of the many khaki men who came home to a "land fit for heroes." Apart from the vivid descriptions of "unemployed areas," which are in no way exaggerated, the reader is enthralled with the terse phraseology depicting prison life as it is to-day. The prison reformer of old, John Howard, were he alive to-day, would certainly be more zealous in his reform efforts if he knew the terrible psychological environment that is scientifically created by those who deal out punishment to prisoners who are mainly there

solely on account of the economic disorder of society. Mr. Hilton traverses the whole gamut of political activities which are in vogue during the present generation, and he very brilliantly sums up the result of their manifold attempts to re-organise civilisation in the potent sentence, "Conquer the biological law that men will insist on being fed, and then you become the supermen you claim you are." Thus he very pointedly shows that economic emancipation is the one thing needed to emancipate the slaves of civilisation. All the civilisations of the past recognised slaves, but Mr. Hilton reveals the existence of the millions of slaves throughout the world, and the slavery is of a much more deadly and devilish purport than has ever been known in the history of humanity, the sole cause of this state of things being the economic stupidity of modern political-banker-economists, who still retain the ancient doctrine of pernicious selfishness, which asserts, "The poor eye of always have with you." AGLA.

## "Social Credit?"

[Reprinted from the Circular of the National Bank of Australasia Ltd., 271, Collins Street, Melbourne, issued February 10, 1934.]

A certain Quaker, who, in his old age, preserved a sound sense of humour, would discuss the strange and troublesome events of the times with his wife, and—so the story runs—finish his remarks with the whimsical saying: "All the world is mad, Mary, excepting thee and me; and thee is a little bit mad."

He did not mean it; but the world has known some people who could say such a thing and mean every word. Don Quixote has left his light-hearted story of the Knight who mistook sheep for enemies and windmills for many-armed giants. Apparently such people have pursued illusion until no longer able to distinguish the shadow from the substance, the problem from its answer. Such a one, it would appear, is the Major Douglas of "Social Credit" notoriety. To him it matters not that man after man, committee after committee, politicians, business men, financiers, economists, judges, and journalists—men of high standing, of undoubted honesty of purpose, and endowed with a keen sense of right and wrong, having the ability to divorce truth from fiction, and to pursue an illusion down to its misty beginnings; men whose desire to improve the living conditions of the world's workers is not exceeded by Major Douglas or any of his adherents—have examined his proposals and rejected his theory and his plan, root and branch.

It should be recognised that the world is weary, that conditions, not only among the unemployed, but with many others who have been caught in the grip of the depression, are most disheartened, and, for a number of folk, perhaps desperate. To them a sweet-sounding promise of easy money, consumer credit, increased industrial activity, and full prosperity, all to follow the application of a simple formula, cannot fail to be alluring. When spoken by one whose honesty of purpose has never been assailed, it appears—to those people who are unable to analyse the proposals, or are carried away by the earnestness of the speaker or writer, and who have not looked forward to the inevitable effects which would follow the adoption of the Douglas Scheme—a blessed panacea, a "paper-plaster" which would bear away the economic ills of to-day, and make the future bright and happy. Unfortunately for those who feel that way, and who need relief from pressing burdens, it is too easy to be true.

We know that what we write will be suspect among the believers in "Social Credit," and that many of them, in their present condition of enthusiasm, fired by the presence of their leader in this country, are unable to realise that the plan is based on illusion, is illogical in its construction, and certain to meet dire failure should its application to our national finance and industry be attempted. They cannot see that the Douglas appeal is addressed, largely, though perhaps unwittingly, to that natural cupidity of mankind

which is most marked among those whose desires for ease and comfort exceed their fondness for industry and effort.

Seeing that our criticism of the Douglas proposals may be thought to carry the taint of bias, the following extracts from the leading article of the *Adelaide Advertiser* of January 22 are placed before our readers.

"Major Douglas was so fortunate as to have enunciated certain confused principles which, as the depression deepened, exactly filled the void in many an uninformed mind, and seemed to not a few superficial thinkers to be a flash of supreme genius. Austin Hopinson once wrote: 'People are apt to regard as inspired any doctrine which they cannot understand, particularly when it is expressed with the frequent use of mathematical formulae.' These words, appearing on the cover of a pamphlet in which the Sane Democracy League, a Sydney organisation, has reprinted a particularly damaging criticism of the Douglas credit proposals by Mr. Hartley Withers, the eminent English economist, go to the very root of the cult of 'social credit.' Major Douglas's theories are accepted because they are not understood, and because the introduction of the 'A plus B theorem,' and other sounding jargon, gives them an authoritative and scholarly air which is utterly out of harmony with their real quality. . . .

"The initial obstacle to the acceptance of Major Douglas and his scheme is the utter impossibility of justifying his fundamental conception of the present economic process. 'B payments,' less directly but quite as surely as 'A payments,' do find their way into circulation as purchasing power; and, if they are slow in doing so in relation to one cycle of production, as some of them may be, delayed payments following former cycles of production will make up the deficiency. If this were not so—if Major Douglas were right as to the very basis of his doctrine—trade would never have been possible. Or, if it had been possible, and if, for hundreds of years, production had outrun purchasing power to the extent imagined by the author of 'social credit,' the mountain of surplus goods accumulated would now be high enough to dwarf Mount Everest."

There are good causes for believing that many followers of the Douglas banner have not, at any time, closely analysed the plan they have accepted, or visualised the unavoidable disruption of production and commerce which would attend its operation—that is, if any country were sufficiently misguided to try it out. In fact, no actual detailed working plan—in the real sense of those words—has been evolved and disclosed to the world. One would have thought that an organised plan—complete to the last detail—would have accompanied the earliest enunciation of the theory, but, so far, and no doubt for years yet to come, the Douglas Plan will remain rather embryonic, and to those who seek for logical presentation of fact and deduction, both deficient and defective.

Consequently, it is thought that, in this generally well-informed and sober-minded community, the Douglas Credit Scheme has very remote chances of being tried out. The danger, against which our existing sound financial and currency organisation has to be guarded, lies mainly in those individuals and groups which seek to attain the complete socialisation of credit, trade, and production. The widespread propaganda of the Douglas Credit Group may be more potent than a direct attack, as it is quite possible, in fact virtually certain, that all possible advantage will be taken by the socialisation groups of any feelings of indifference or antipathy with regard to the banks and other financial institutions, which may result from the uninformed and unjustifiable attacks made by Douglas Credit propagandists against the present system of credit and finance.

The Douglas proposals cluster round that ambiguous phrase, "Banks Create Credit." Let us see what one man of independent thought said about its bearing upon the "Social Credit" plan. It is taken from John H. C. Sleeman's book, published in Sydney last year, entitled *More Letters to a Married Woman*—

"Quite recently Major C. H. Douglas, in debating his theory with Mr. Dennis Robertson, advanced this point:—  
"The creation of real wealth, goods, and services does not create the money to buy those goods and services. Money is created by the banking system in the same way as if it were created by printing banknotes, and it reaches the community as a debt to the bank, unless issued in payment for securities, which constitute the control of capital assets. If I grow a ton of potatoes, I do not grow the money to buy a ton of potatoes. The banking system makes the money and claims it as its own, and lends it upon its own terms."

"In other words, Major Douglas denies that the deposition of collateral security for a loan or overdraft

guarantees the genesis of a bank credit. It is in the fallacy that banks do not utilise deposits for security that the whole of the Douglas Social Credit system has been built up, and that fallacy is of the flimsiest nature. As a matter of fact, the cheque in practice plays the same part as a ticket bought at the booking office of a theatre. The one is a guarantee to the door-keeper—if it be genuine—that the fee has been received in the booking office. The cheque—if it be genuine—is a guarantee to the recipient that the drawer has wealth, to the amount specified on the cheque, that can be operated on."

While it may be difficult to describe the Douglas Plan of "Social Credit" in tabloid form, it is a simple matter to extract its dominant features. While the details are still "in the air," there are no less than three variants of the basic principle, which is, to assist the sale of goods by providing some form of bonus or subsidy to be paid to either the buyer or the seller. Various sophistries have been advanced for the purpose of showing that these subsidies, paid by the Public Treasury, would not add to the Public Debt. Certainly they could not be paid out of Governmental revenues. If paid out by the method of issuing Treasury Notes, the amount would constitute a "forced" loan from the community. If paid by borrowing in the orthodox manner, an ever-growing debt charge would be placed on all forms of property—houses, lands, sheep, cattle, balances in banks, insurance policies, stocks, shares, and other forms of wealth. No doubt some immediate advantages would fall to those people whose possessions were scanty, but their gains would be temporary and uncertain in their incidence. The bonus distributions would quickly lead to normal credit inflation, and this would proceed through its normal course of boom and collapse. In the long run, almost everyone would suffer severely; but it is a truism that in hard times the people with smallest resources suffer most.

We have no need of the Douglas Plan or other hazardous experiments in Australia. The Premier's Economy Plan, of 1931 laid down safe principles for our guidance, and, provided our national finance is operated in keeping with those principles, we can be sure (unless prevented by abnormal circumstances) that Australia will, ere long, work its way back to a balanced economy and a restored prosperity.

### The Offertory Will Now Be Taken!

"To our fellow Crusaders Everywhere . . ."  
"Greetings. . . ."  
"Living energy and expansion . . ."  
"1935 opens out . . ."  
"Yet, with the leap to prominence . . ."  
"The light of Civilisation grows nearer, clearer . . ."  
"To us, strong in the . . ."  
"Again greetings. In the comradeship . . ."  
"With faith in our future . . ."

"Loyally yours . . ."  
[Christmas and New Year Message of the Douglas Credit Party of Australia, Queensland Section, 1934-5.]

### Forthcoming Meetings.

**Birmingham Douglas Social Credit Group.**  
March 27.—The National Dividend Campaign.—Dr. Tudor Jones.  
**Manchester D.S.C. Association.**  
April 8. Lady Clare Annesley on "The Abolition of Poverty." Memorial Hall, Albert Square, Manchester, at 7.15 p.m.

### Notice.

All communications concerning THE NEW AGE should be addressed directly to the Editor:  
**Mr. Arthur Brenton,**  
20, Rectory Road,  
Barnes, S.W.13.  
Renewals of subscriptions and orders for literature should be sent, as usual, to 70, High Holborn.

## The Point of the Pen.

By R. Laugier.

No. XXIII.—ARTS AND GRAFTS.

I am a man infrequently dazzled by a phrase and seldom ravished by epigram. He who seeks the phrase and strains after the gnat-bites of aphorism will remain, in literature, always the amateur and the dilettante. It matters not how many books the phrase-monger has written; nor does his reputation in the world affect this issue: once a man allows himself to be hypnotised by verbal flourishes and axioms, he is astray. He is putting secondary things first. Instead of his essay or story containing a good phrase, he has written his essay or story around the phrase. The man is lost. With the deliberate and conscientious wit, conversation becomes impossible; and even his writings are soon intolerable. Every remark made in his presence is regarded as a potential gambit for the smart answer, and so people avoid him. He becomes a bore! In his writings much the same thing happens: the observant note his tedious digressions from the matter in hand and know that, when they have finally swallowed the dry bread of verbal redundancy they will be rewarded, possibly, by a slice of epigrammatic cake. The epigram is taken in—by a long detour, rather like that of a perspiring "hiker," who swerves to climb a bleak hill solely because there is a pub at the top.

But, although my enthusiasm for epigrammatic phrase is distinctly moderate and restrained, I nevertheless appreciate the fact that there appear, from time to time, happy natures that can achieve truly valuable epigram, and do so with the natural ease of a singing bird and the nonchalance of a sea-lion balancing a ball. In the axioms of Rochefoucauld and Vauvenargues; in the letters of Whistler, and the best writings of men like Wilde and "Saki," epigrammatic wit achieves its true object, which I take to be that of revealing unperceived or buried truths. The profitable epigram is, I assume, no mere matter of verbal felicity, though it may contain such ornament: most of the best epigrams reveal—by commenting upon a hackneyed, accepted proverb—the latent truth that may legitimately be spoken for the "other side." All literary art is largely a perpetual warfare upon static morality and rigid forms of thought, and authentic, witty epigram is a powerful weapon in the cause of truth, a weapon that may remain sharp and shining long after the heavy guns of moral indignation have rusted and clogged upon the battle-field.

So then it is, I think, quite easy to differentiate between the tiresome and creaking mechanism of shallow wit. Humanity values the authentic epigram for its poetic insight, and such maxims and reflections will be treasured and will "pass into the language." As for the quips, puns, and "fireworks" of the straining humorist, men will willingly let these die.

Now the modern talking-film is coming to depend more and more upon what it calls the "wisecrack." The Ecclesiastes to a modern instance filched from "Saki." The cinema industry is beautifully catholic and sublimely impartial. They will, with the romanticism of a Robin Hood, take from the rich to give to the poor; or, with the sturdy realism of modern banking, they will be content to rob rich and poor alike. Sometimes the gentlemen of the films snatch the considered trifles of the dead (in or out of copyright), and upon other occasions they snap at the living. They have learned that if they steal from enough authors simultaneously

no single writer will attack them for plagiarism. Consequently, anyone who possesses the most modest store of knowledge and who goes to see a modern film, will find the work as full of heterogeneous loot as the safe of an energetic "receiver." Once, in company with a well-known English actor, I saw a film, in Paris, that dealt with "the end of the world." It was boring. The actor and I found mild amusement in counting the number of authors from whom this "epic of the screen" had been partly filched. We made bets, and under the urge of competition I recall digging from my memory Messrs. Grant Allen, Sir Arthur Conan Doyle, Sir Rider Haggard, and one or two more. The actor, I think, drew level with me, and so neither of us won any money. But we had overlooked French authors. One, the film-gentleman acknowledged—conscience money, perhaps!—but a few months later two French writers took action against the film company for plagiarism. Only two—and, of course, they lost. Two shareholders in a railway company might equally well have claimed a waiting-room as their private property.

The gentlemen of the films protect themselves by wholesale methods, as Herod safeguarded himself against the possible malice of youth. All through history great men have realised that it is easier to steal a horse than look over a hedge, and it is more profitable. No doubt every silver screen has a golden lining, and in case of a hitch the "right people" can be bought. Kill one man or steal one watch, and you are murderer or pick-pocket; decimate whole nations and you are an imperial conqueror.

The films, in France if not elsewhere, make the best of all possible worlds. The cinema which is, in all advertising media, the most stupendous of the arts, shrinks in a court of law to a mere industry, precisely analogous to the business of manufacturing pickles or food substitutes. Thus a young French author of my acquaintance found himself in difficulties a short time ago. He has written excellent novels and has produced popular films. He tried to write, in a free journal, some honest film criticism. He had to stop, or be ruined. In saying M. Untel's production of a film was rotten, my friend was in the same legal position as that of one who said M. Dupont's tooth-paste was rotten. The fines imposed upon such critical expression are ruinous, and no doubt are meant to be ruinous. So a sincere artist cannot write in order to bury a film, he may only praise it; and this business caution will be, of course, an extremely bad thing for the films—supposing it is possible for them to be improved artistically.

Now I am not interested, here, in the big invasions, annexations, and conquests of the films: I think, in such heavy engagements, authors may take care of themselves. The larger plunderings attract attention, and are dealt with one way or another. It is the little forays that may easily pass unnoticed; the night attacks, and swift raids; the riding off with a woman or two here, a few head of cattle there. Such things may pass unnoticed: but such pilferings, if they go on long enough, can end by laying waste whole countries and denuding whole peoples. In law, too, custom plays an important part, I believe. If one owns a private path, or garden, one must indicate—at least from time to time—that these are privately owned; otherwise your path may become a highway and your garden a public park. In letters, there is "the practice of the profession." Authors and holders of copyright might do well to study the dialogue and "wisecracks" of the "talkies." A recent film

deals with the "pirates" of dress-designing, but there are many little indications of piracy in book and play designing. Wilde's, "When good Americans die they go to Paris," is "featured"; and though, certainly it is quoted (or rather, misquoted), at the same time no acknowledgment is made to Wilde, for quite a helpful "line."

I do not often go to the films, but, when I do, and whenever I see a smart "talkie," I observe that the foundation of its "snappy" dialogue is theft from reputable authors, unpaid, unlauded, and unsung. The cinema industry reminds one of "Saki's" worthy, who asked neither for beauty, talent, wit, honour, or culture, but only for great wealth; and, because he asked only for this, "Lo, all other things were rendered unto him." "Saki" himself died in a Flanders trench. Robbing him (and his executors) must by this time have assumed the innocent aspect attributed by custom to evading income-tax—when one is not an American murderer. *Everybody* pilfers from "Saki"—even men who would hesitate to walk off with another's umbrella, or cheat a railway company.

And such a fact should be a warning to the thousands of writers now being smoothly robbed of their small change by the film industry. Let authors look after the penny epigram and the pound novel will look after itself. If some action is not taken by united authors there will soon be no need for the cinema industry to pay even one literary artist: in screening everything, except plays, the dialogue will be free, and the book-world the film director's oyster. Already the best things in film-life are free.

With a good line taken from this sketch, a scene "adapted" from that novel, a joke from a magazine article, an epigram from a formal essay—these make an *olla podrida* consisting of authors' meat, vegetables, and spices. Will authors allow such ingredients to be cooked in a thieves' kitchen, and eaten, publicly, before their eyes? They will be foolish if they do. Always it is they who have provided any intelligent touch that ever crept into a film, whilst directors, "producers," etc., have received—at least in the public view—any credit that might be forthcoming. It is very difficult to write a good epigram—the world possesses few—but it is easy for Big Business to steal such valuable creations.

To this mean pushing of creative minds into the background is added the stealthy or brazen actions of covert or open theft. Film money will crush an artist who writes frankly and desires only to assist the films. Film money will rent theatres and halls in the Provinces solely to prevent provincials being given the art of the theatre. Film money corrupts legislation, controls the Press, buys hacks, and acts with every subterfuge likely to injure art, which it could not compete with for a year on equal economic terms.

A few months ago Mr. Leon M. Lion said to me, "I know a number of young men who have never been in a theatre in their lives. They like the appeal of the films; and I don't think they can ever enjoy the art of the theatre now."

The theatre is for artists and for the Living Word. The films, though they occasionally put money in the pockets of artists (who did not write for them) are content for the most part with facile hacks and worn-out ideas devoid of all real significance and material that does not even suit their technique. In other words, the cinema industry to-day is the enemy of artists, and consequently the enemy of the enslaved masses. The films

touch nothing that they do not debase or render insipid and foolish. The films are like those stupid and cowardly mediocrities who infest the modern writing world, and who are continually asking authentic artists to "collaborate" with them. Sometimes such charlatans deceive an artist—once. Then the artist finds that, whilst he has done all the work his "collaborator" contrives to get at least half the money. Also to his surprise the artist finds himself bitterly hated by a man whom he has benefited: the "collaborator" will say, everywhere, that he produced the work of art entirely himself, and that the artist is a worthless and incompetent fellow. An inferiority complex has to be worked off somehow.

The gentlemen of the films are many thousand feet away from inferiority complex; but they live upon their betters, without honest acknowledgment; and they are pilfering literature, right and left, for their "wise-cracks" and "snappy come-backs." They act exactly like a dramatist who would dare to construct his dialogue after a raid upon all the wits in the British Museum Library.

### The Leak in Purchasing Power.

The rate at which loan-credits are issued by the banks measures the rate at which costs are repaid to the banks does not measure the rate at which costs are extinguished in industry.

The rate at which costs are extinguished in industry is the rate at which consumers pay money into the shops for goods.

The rate at which consumers pay money into the shops for goods is less than the rate at which the population receive incomes from industry.

The rate at which the public receive incomes from industry is the rate at which new costs originate in industry. (Industry regarded as a single unit does not disburse money on materials and so on, but only on remuneration to persons in return for service.)

Therefore the rate at which costs are extinguished in industry is less than the rate at which costs are created.

H. J.

### Tight Belts in the Black Belt.

"The negro tenant is sometimes simply exploited by an unscrupulous landlord; but perhaps not generally; the author thinks that this is not quite the account of the matter, as a whole. The negro tenant is the victim of the plantation system, and it is symbolised for him in his banker. But the landlord in his turn is the victim of the system, and it is symbolised for him in his banker, with a bogey might be too naive to stop there, and to identify the system at last with the banker's evil machinations; for the banker may be himself a helpless victim of the system, with a bogey of his own to fear. What then is the plantation system? A casualty of our money economy; that is, of our modern industrial system, that is, of that blind economic organisation which governs almost the whole of our business life and has the following characteristics: defining narrowly the income-producing functions and turning all the members of society into functionaries dependent on money-incomes; then tending increasingly to make one big business world out of all the little business communities, or even to find the functionaries to figure their markets, or even to find the responsible parties with whom they might hold discussions, make agreements, and lodge complaints."—J. C. Ransom in *Sociology and the Black Belt*, in December number of *American Review*.

T. R.

## The Theatre.

"Man of Yesterday." Adapted from the French of Jean Bommart by Dion Titheradge. St. Martin's.

The management of the St. Martin's Theatre did not provide me with a seat for this show, but as I have seen it on my own account, and as there have been so few recent productions one could recommend wholeheartedly, I am giving it a notice, as it were, unofficially. The theme is the same as that of De Morgan's novel, "Somehow Good," namely, loss of memory, though the play does not depend, as the novel does, upon coincidence. A comfortable bank official, married, and, in a dullish way, contented, gets knocked on the head in a street accident and is taken to hospital unconscious. When he comes round he has slipped back seventeen years, and believes that he has just been carried out of the line on the Somme, with a lump of shrapnel in his head. He does not even recognise his wife. This is clearly a dramatic situation, but the author is not content with the obvious. The subtle drama of the play depends on the connection between memory and personality. The man of forty-one and the boy of twenty-four, fresh from the horrors of Delville Wood, are two different people, with different aims and different tastes. Mr. Leslie Banks, who has rarely had a better part, makes this point subtly, but insistently. Mr. C. V. France is excellent as the brain specialist who has the case in hand, and so is Mr. Allan Jeayes as the old friend from the trenches. Altogether this is an absorbing play, perfectly acted by the men, and passably by the women.

ANDREW BONELLA.

## The Films.

"Abdul The Damned." British International-Capitol Production. Directed by Karl Grune. Regal.

Karl Grune made "The Street," one of the first really great films. This is his first English picture. It is a sound production, presents an accurate enough picture of the Young Turk revolution, and is in general a job of work on which Elstree may be congratulated. As the Sultan, Fritz Kortner is admirable, and he is excellently partnered by Nils Asther as the Chief of Police. But much of the action is too slow, the acting is largely too stogy, and the selection of Adrienne Ames for the principal feminine part was a triumph of miscasting. None the less, here is a film that reflects credit on the British film industry. I hope it will be a box-office success.

DAVID OCKHAM.

## Current Blasphemy.

I.

"Who is that in yonder stall?"

[First line of well-known hymn which was submitted in an amended version by a contributor to the official organ of Mr. Aberhart's political programme in Alberta, Canada, and published therein. In this version the holy occupant of the stall—the Babe of Bethlehem—gives place to Mr. Aberhart, whose name appears two or three times in the verses. The exuberant author, in the ecstasy of his vision, rhymes "wisdom" with "system," in one couplet!]

II.

"Why callest thou me Lord, Lord, and doest not the things that I say?"

[Quoted by a contributor to a recent issue of *Social Credit*, the official organ of the Secretariat, as a reproach against those who hesitate to take part in the Electoral Campaign.]

## Work.

TO THOSE WHO WOULD REACH THE MILLENNIUM IN OVERALLS.

You, poor benighted fool, who howl for work,  
I would that I possessed, if 'twere enough,  
Ten thousand biting lashes to my tongue  
To whip your muddied mind to saner stuff.  
Work 'tis we want—aye, work enough in truth,  
For me to make you see the truth you shirk.  
Is work to be the only path to food,  
When food in plenty blocks the path to work;  
When some to get their food, throw food to sharks,  
And others spend their ill-considered time  
In making gyves to shackle starving limbs,  
Till vice is virtue, virtue naked crime?  
Does the Sun say "Work 'twixt my rise and set,"  
Or, "on the sprouting crops my ripening beams  
Shall never fall, but darkness work pale ill,  
And your fair hopes but end in foulest dreams?"  
Does the air bring fresh life but to the blood  
Of sweating peasants, leaving the idler prone  
In gasping terror, wild-eyed to the skies?  
Does nature nurse the slave and kill the drone?  
The lively music of the carolling lark  
And its attendant joys become the lot  
Of some lone dreamer on the open heath,  
When that poor wight, the banker, hears it not.  
Shall the plain path of truth be never trod?  
Bring out thy compass, fool, and set thy soul  
Toward the light. Learn thou to live the life;  
Work for work's sake is but a sorry goal.

F. W. KING.

## "Fear Not Them Which—"

Bru. . . . and to speak truth of Caesar  
I have not known when his affections sway'd  
More than his reason. But 'tis a common proof,  
That lowliness is young ambition's ladder,  
Whereto the climber upward turns his face;  
But when he once attains the utmost round  
He then unto the ladder turns his back,  
Looks in the clouds, scorning the base degrees  
By which he did ascend.

Cas. But it is doubtful yet  
Whether Caesar will come forth to-day or no;  
For he is superstitious grown of late,  
Quite from the main opinion he held once  
Of fantasy, of dreams, and ceremonies.  
It may be, these apparent prodigies,  
The unaccustomed terror of this night,  
And the persuasion of his augurers,  
May hold him from the Capitol to-night.

Dec. Never fear that if he be so resolv'd,  
I can o'ersway him; for he loves to hear  
That unicorns may be betrayed with trees,  
And bears with glasses, elephants with holes,  
Lions with toils, and men with flatterers;  
But when I tell him he hates flatterers,  
He says he does, being then most flattered.  
Let me work;  
For I can give his humour the true bent,  
And I will bring him to the Capitol.  
"Julius Caesar," Act. II., Sc. 1.

## January—March Anniversaries.

1933, January 25.—Douglas's letter to Hargrave inviting Green Shirts to use his family tartan as their facings.  
1923, February 1.—First advertisement of the League of National Awakening appeared in "Credit Power." The second, and last, appeared in March. The League was wound up on March 6, 1923.

"It is a very healthy sign that an organisation such as the League of National Awakening should rise up spontaneously and set about the vital task of re-stating the problem of modern war afresh. It is healthy because the League

is not asking others to do this work; it is doing it, and that is consistent with the awakening."

[C. H. Douglas. Statement reproduced in advertisements of the League of National Awakening published gratuitously in *Credit Power*, issues for February and March, 1923.]

1924, February 7.—"Credit Power" merged with "The New Age."

1920, February 12.—"The New Age" publishes first instalment of Douglas's "Credit Power and Democracy." The series ran until August.

1933, February 23.—Wyatt's reply to Green-Shirt criticism of the policy of the National Credit Association.

1933, March 9.—"The New Age" publishes letter from Douglas laying down conditions on which appeals for financial support for Social-Credit activities should be responded to.

1934, February 15.—Social Credit Secretariat manifesto announcing absorption of the National Credit Association.

1933, March 22.—Birmingham Debate, between Douglas and Hawtrey.

1934, March 22.—Notes in "The New Age" on this journal as the "official hoarding" for financial appeals.

1876, March 28.—Brenton born, Richmond, Surrey.

## LETTERS TO THE EDITOR.

### FASCISM AND SOCIAL CREDIT.

Sir,—It is astonishing that so extremely intelligent a man as Mr. Frank Griffiths should betray such an extraordinary capacity for monkeying about with words at the expense of reality.

Fascism in Italy is an attempt on the part of government to take control of the nation's economic life, substituting planning for the chaos of *laissez faire* and progressing steadily towards a state of autarchy which will enable every economic circumstance to be brought under political control so that purchasing power may be equated to the power to produce and the economy of the Italian nation made secure against the explosions of international finance. Planning has already been brought into being, but it so happens that Italy is naturally a poor country and that on this account very considerable advances towards autarchy require to be made before the position in Italy bears any ultimate relation to Fascist economics. The blame for the present state of affairs lies in the natural poverty of the country and not in Fascist planning, so that to say that "Fascism is planned poverty" is sheer intellectual dishonesty and a juggling with words as worthy of reproach as any juggling with money on the international exchanges!

In the same way Mr. Griffiths slides around my analogy of the Sahara Desert, but as I am unwilling that he should get away with it I put to him this one definite question: If Mr. Griffiths were to be given the Sahara Desert as a Green-shirt Paradise, with absolute liberty to employ whatever money system he pleased, would he be able to give to the edouins in ten or twenty or a hundred years the same standard of life as that enjoyed by people living in a land as richly endowed by nature as the United States of America?

I am surprised that Mr. Griffiths should ask: "As we in these islands are not faced with a country naturally poor, why there is any problem of poverty in Great Britain?" There are many reasons, but for the moment I name only two:—

(1) An unbridled capitalism which seeks always to work outside the confines of a planned economy and accepts the unholy theory of economic liberalism that labour should be bought at the cheapest possible price instead of at the dearest, with the result that the home market is being continually restricted as more and more countries become industrially-minded and refuse to accept our goods.

(2) The fact that our Money Lords are allowed so to influence Government that we do not set about developing our own Imperial resources with a view to supplying the needs of our own people and thereby turn potential demand into effective demand, but instead, insist upon pinning the entire future of Great Britain to the export trade, which is a diminishing factor and which must soon disappear altogether

unless we are prepared to compete with the mobilised might of Oriental labour on their own terms.

These are two of the reasons for poverty in this country and I suggest that Fascism supplies the only alternative—to produce for the home market and to make that market maximal by giving the people the money to buy the goods they need in the form of higher wages and salaries.

The answer to Mr. Russell's question was contained in a reply by Mr. Raven Thomson which you were good enough to publish.

A. K. CHESTERTON.

### "A FEW WORDS."

Dear Sir,—I agree with every word of Mr. Laugier in his reply.

He has unfortunately misunderstood my meaning; his clarity of thought and justice were never intended to be questioned, as I think he will realise if he recalls what I wrote.

May I say how much I enjoy his articles? I believe he agrees with me about Richard III. Am I right?

Where Henry VI. is mentioned, Henry VII. should, of course, be read.

R. WOOD.

### "A + B" AND SELF-LIQUIDATION.

Sir,—May I draw attention to an error in the article under this head appearing in your issue of March 14? The year 1880, in the third line from the bottom of the first column, should read 1800, as given in the printed report of Major Douglas's speech at Oslo.

A. W. COLEMAN.

[The phenomenon of the geometrical progression of debt was pointed out by Tom Paine in a little-known pamphlet reviewed in THE NEW AGE some years ago.—ED.]

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Speaker: A. L. GIBSON, Esq., F.C.A.  
Chairman: The Marquis of Tavistock.  
Time: 8.15 p.m.

Meeting organised by the London Social  
Credit Club.

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