THE

NEW AGE

INCORPORATING "CREDIT POWER."

A WEEKLY REVIEW OF POLITICS, LITERATURE AND ART

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NOTES OF THE WEEK.

Careful students of affairs will have recently noticed evidences in public speeches and leading articles of a deliberate policy to familiarise the public with the doctrinal slogan: "The Interdependence of Nations." The phrase had its origin in the United States nearly a year ago, and was in frequent use by Dr. Nicholas Murray Butler during his progress through Central Europe just before the Austrian and German bank-crashes which have eventuated in a general scramble by the nations to get off the gold-standard. In spite of frantic warnings that if they ceased to cling to gold they would die, they have ceased to cling to gold and are not dead. Gold having been bowed out of economics with thanks for past services, it is an urgent matter for the defeated Gold Prophets to propound something else for them to cling to. And what more Lotos-like, intertwining and brotherly than the concept: "Each other"? And so, during the last ten days alone "Interdependence" has been the keynote of a broadcast talk by Mr. H. G. Wells in New York, of a leading article in *The Times*, and of Mr. MacDonald's speech at the Guildhall. It is a cunningly compounded democratic narcotic to be administered by the financial autocracy; and it will set every advocate of Social Credit a supremely difficult task to impede its administration or to nudge, pinch and walk the public about to keep them awake after they have taken it. The word "gold" and the doctrine of the "gold standard" did at least offer some basis for the exercise of people's critical reasoning faculties (where they still persisted) and, indeed, it will be remembered that Sir Basil Blackett himself publicly jeered at gold months before gold was abandoned. But how to expose the dangerous deceit in this new doctrine will tax the ingenuity of every follower of Major Douglas. However, it is the duty of all of us to regard this new ramp as a challenge, and make it a stimulus for our counter-challenge.

Now, while one may run a newspaper like *The Observer* on the emission of sentimental sounds, no-one can run an economic system likewise. That could only happen if everybody co-operating in the system were able to maintain life on spiritual edification. But even the Archbishop of Canterbury needed occasional alimentary exercises when he was in conclave with Mr. Pierpont Morgan on board the yacht; and the Bishop of London's brain needed a dietary of some kind of fish to enable him to compute with so much nicety the successive steps by which wages would fall if the workers rejected the National candidates; and the Bishop of Chester's famous broadcast adoration of gold would have been lost to the world if he had never used his teeth on something else. The economic system depends for its existence on the provision of material things; and no economic policy is thinkable that cannot be related to such things. So when we are exhorted to respect the doctrine of "Interdependence," we must elicit from the propounders, or discover for ourselves, what it implies in relation to the natural laws affecting our access to the means of terrestrial life. What it signifies otherwise may be interesting, but it has nothing to do with economics; and its propounders cannot hold it out, as they do, to be a condition of economic recovery. If they want to tell us that to be good is to be prosperous, and that the economic system they are running is designed to improve our characters, let them tell us in plain language. But they must not cheat people into confusing moral hygiene with bread and cheese. For that is precisely what they are doing.

* * *

An example is to be found in *The Times* of November 12, where its correspondent (probably an official in the Reichsbank) describes the situation in Germany, saying first that Germany has reached the "*proud position*" of being the largest exporter in the world (during August—beating even the U.S.A. by a 25 per cent. margin), and then proceeding to enumerate unemployment (4,500,000), wage-cuts (3,000,000 workers affected), empty flats (30,000), idle shipping, and several other sinister signs of stagnation and destitution. *The Times*, in a leading

article on the same day, commenting on the dispatch, comforts itself or the Germans with the complacent reflection: "But the country has the *advantage* of having a *real leader*." (Our italics.) In the context *The Times's* admiration for the leadership is explicitly based on the fact that the Government has so far got the people to accept their impoverishment with resignation. So it is abundantly clear that *The Times's* preoccupation is not with the results of the system to the individuals working under it, but is with the inculcation in those individuals of patience under affliction. Philip Snowden exhibited the same attitude of mind when he expressed his "admiration" for the "heroism" of the poor in supporting their burdens. (It's a pity they don't get a dinner: but, dear me, isn't it beautiful how peaceful they are! Look at that poor, emaciated fellow there: he's lost seven pounds weight in a week, but he knows he's saving the pound. He has "received" the revelation of "Interdependence," and is enduring tribulation for the sake of "Others.") "Of what use are pins?" said the teacher to her class. "To save people's lives," replied a little toddler. "Save people's lives?" queried the teacher; "However do you make that out?" "Please, miss; by not swallowing them." And that is the use of the present system of Production for Abstinence—to save the lives of a people who refuse to work in it.

* * *

It can justly be said of the word "Interdependence" that it is the trade sign of the "Bank of International Swindlers"; or the magical formula of the "Bank of International Sorcerers." *Power*, said a character in one of Rudyard Kipling's books, *resides in the control of communications*. It was a true statement, and one which everybody conversant with the machinery of government knew to be true at the time it was written. In the years since then the world has witnessed a multiplication of *lines of communication* and a concentration of high-financial interests *at all points of their convergence or intersection*. These financial interests are, in the last analysis, one financial interest—the interest of an international credit-monopoly. This monopoly uses its supreme control over communications, not to make a profit, but to achieve power over the destinies of the world's populations. In so far as it has progressed towards complete success it has deprived every individual of the power to affect his own destiny, and he has become a dependent entity—dependent on "something not himself that maketh for liberty" (to paraphrase a classic definition of God). His instinct, if not his experience, tells him that he is in that condition; and since he is unaware of the existence of a world-wide centralised mechanism which governs him by its power of intercepting his communications in every direction—interrupting and restoring his contacts at the will of the credit monopoly—he has no option but to believe that his dependency is upon the collective power of his fellow-men to give him what his body and soul crave for. And so with each of his fellow-men in turn. Hence, to all of them, the doctrine of "Interdependence" appears as the formulation of a natural law. It is the reverse. The dependence is an improvised interference with natural law, and, as the Pope has recently proclaimed, a repudiation of the Divine Economy.

* * *

As with individuals, so with nations. Their supposed natural interdependence is an illusion created by the fact (a) that each is dependent on the policy of its "national" central-bank, and (b) that these banks are interlocked, and therefore interdependent; *but by their own will and contrivance*. Every nation is separately dependent on a financial hierarchy which has, and exercises, the power to accredit any one of them by decrediting any other, or vice versa. Its action derives its ostensible validity from the idea, disseminated by itself, that there is a natural limit to the quantity of credit that shall circulate in the world.

* * *

As industry has developed the policy of subdivision in manufacturing, the importance of communications has commensurately increased. When one man made complete things from beginning to end in one place for people in that place, the control of such communications as were necessary resided in him and his neighbours. But to-day, when, say, ten constituent parts of the same things have to come to one place from ten other places and, when made, have to be sent away again from the place of manufacture to still ten other places, this personal control is subdivided: and the greater the subdivision the more impersonal the control—the more widely diffused—and therefore the less missed when ultimately absorbed by the credit-monopolists. And it is the same in international trade. Captain Rushworth, whom we quoted last week, made the following statement in his speech during the debate on the New Zealand Budget this year:

> "Quite recently a member of the Chinese Inland Mission came to New Zealand on furlough. He was an observant traveller, and he reported that at every port he stopped at there was a glut of some commodity—at Singapore there was a glut of rubber; at Kuala Lumpur there was a glut of tin; at Rangoon, rice; at Ceylon, tea; in West Australia, wheat; in South Australia, fruit; in New South Wales, wool; and in the Pacific Islands, copra—a glut of something everywhere. In the United States we find that there is a glut of all kinds of goods that are produced in that enormous country."

We subjoin an Exchange Telegraph Company's cable dated last Friday from Washington:

> "Cotton to be held off the market this year by the banks, in co-operation with the Farm Board, will amount to about 8,000,000 bales, said Senator Smith (South Carolina) here to-day. He also remarked that where the bankers held cotton off the market they would demand a reduction of fifty per cent. in the acreage planted by farmers to whom money on cotton was loaned."

Next we draw attention to the following extracts taken from a report in the *Sunday Times* (November 8) of Mr. H. G. Wells's broadcast address in New York:

> "His scheme would simplify money and exchange, *conserve international resources* . . ." [Next follow quotations from Mr. Wells.]
>
> "'Through the cleverness and energy of men we have been brought together all over the world into one great *interdependent network* of work, service and obligation; But there is *no one ruling direction* of that system,' he feels, rests in the fact
>
> "The weakness of the world, he feels, a 'patchwork of Governments' which we are trying to regulate 'with the narrow, that it still *remains divided*, selfish and patriotic ideas of the past.'"
>
> "'Throughout the world we have to get on with . . . the *unifying controls* that the situation demands.'"
>
> "'The Governments . . . have to produce a *world plan*.'"
>
> "'We want a world plan . . . to conserve the *resources of our planet*.'"

If our readers will piece all the foregoing quotations together they will at once see that the objective of those who are pushing the "Interdependence" doctrine is to *unite control* while *dividing resources*—to get "one ruling direction" of a "network" of communications. We have stated, and it is true, that this ruling direction already exists: but it has not yet been given formal political shape. What Finance wants is a politico-economic inter-State Council which shall visibly assume collective responsibility for world-policy—a formally representative body from which the Bank of International Settlements (or some extended international banking organisation) shall *appear to take its orders*, in just the same way as national central banks to-day hold themselves out to be servants of the national Governments, of national industries, and of native populations.

* * *

If World Finance can operate behind such a World Constitution, the next step will be the cession to it of the control of armed force. The only effective answer to financial coercion is military resistance. Armies, navies and air-forces are potentially able—given sufficient occasion—to keep open lines of communication which financiers might wish to close, or to close those which financiers might wish to keep open. For that reason, as Major Douglas laconically remarked a few years ago, the bankers' Utopia is a world in which they alone control the fighting force—in which case a few bombing-aircraft would probably suffice. It will be remembered that it is from the United States, the dominant influence in financial world-policy, that the drive for disarmament proceeds. And it is easy to see why so much publicity is afforded in the commercialised Press to persons like Dr. Nicholas Murray Butler and Mr. H. G. Wells and their high-flown hints that naval communications corrupt good manners.

* * *

Those who bear in mind our submission that the interdependence of nations, in any real meaning of the term, is mostly the product of high-financial contrivance, will notice that there is a complete absence of evidence of any intention—much less any plan—to subserve public interests. The over-riding theme of Mr. Wells, for instance, is the consolidation of control over communications, which means of the power to *interrupt the movements of resources*. What else can he mean (assuming he thinks of anything concrete at all) by his allusion to the conservation of international resources? But whatever he may or may not mean, it will be seen from the Washington cable just quoted that his formula describes the bankers' idea of conservation—namely the immobilisation of resources, or alternatively the restriction of access to them. Financial credit has been truly defined as a right of action, but the bankers are using it to coerce cotton-growers into inaction, and to prevent the surplus product of their past activities from being moved to where there is need for it. Thus also, as the member of the Chinese Inland Mission noticed, at every port there is an immobilised mass of frozen necessities and utilities. And this in spite of Mr. Wells's "one great interdependent network." He himself lets the reason peep out in his following words, for he describes the network as one of "work, service and obligation"—that is to say, the lines are clear for transmissions of all forms of sacrifice, but closed to transmissions of rewards.

* * *

We hope that physicists will investigate this doctrine of interdependence by reference to natural law. It should appear to them an anomaly that the financial system can operate so efficiently in tapping and dispensing conversion-power, and yet fails to dispense the product. In so far as human beings (as distinct from machines) co-operate in production they do so largely against their will. Not that men are averse from using their muscle and brain, but that for the most part the tasks they are put to are not the tasks they would choose themselves. There has thus been some measure of psychological resistance to the policy of developing the world's productive capacity, but in spite of this the financial mechanism has helped it to a standard of efficiency where its potential output at this moment would support the world in economic security, if not comfort. The "gluts at every port" are symptoms of this potentiality, just as the visible top of an iceberg signifies and measures its submerged mass. Yet, when the problem ceases to be one of production, and becomes one of distribution, in the solution of which the whole world is psychologically predisposed to contribute, the bankers can't think of a scheme! Or that is their tale.

* * *

As we remarked in a recent issue, the solution of the problem would offer no technical difficulty at all to a world-council of military and civil engineers. All they would require would be the same free hand that the bankers have got. The recent re-emergence of bartering transactions inside and between countries is the sign of an awakening recognition of the primacy of *things*, and the movements of things, over *money*, and the movements of money. It registers the principle that the true "right of action" is the technical power to carry out action, and so, in the end, if money is going to serve as the recognised token of the right of action, then money must be provided commensurately with the power of action, and be accounted in strict conformity with the consequences of that action. That is to say, when men have made physical provision for their needs they must receive adequate financial provision to satisfy their needs. And the financial mechanism must be re-designed to effect this, either by those now in control of it, or by a new body of controllers who know how to do it.

* * *

If the intentions behind propaganda were frankly formulated, the financiers would be shown as having formed themselves into what is virtually a "Society for the Promotion of the Interdependence of Nations." By implication they seek to create the impression that such interdependence as now exists is a potential asset which, if they are accorded full control, they will actualise and liquidate in terms of economic prosperity. But not a word is said to explain how they will do it. According to what they do say they are inviting the public to suppose that if there were a single Government ruling a world from which tariff barriers and armaments had been eliminated, and financing the world's activities through a centralised and scientifically co-ordinated credit-system, every nation would enjoy greater prosperity. Very nice, but we should like to see a working model. For the world thus envisaged is simply the magnified reflection of the situation in any country—say, Great Britain or the United States. The latter country is a single Free Trade area consisting of disarmed States financied under one centralised body—the Federal Reserve Board. Every constituent State subscribes to the doctrine of its interdependence with the others, and is peacefully submissive to the policy of the Board. Good. And yet what do we see? The co-existence of wheat-pools and bread-lines, not simply in the same country, but in the same State. If Governor Harrison cannot move a glut of American wheat into the mouths of American citizens, on what ground are we to believe that he and his fellow-central-bankers are going to be able to move gluts from one part of the world to any other? The only argument that we can conceive Governor Harrison to dig up would run something like this: "Oh, I could do the job all right if it were not for my arrangements with other central bankers abroad"—or, to put it shortly, in the idiom of Mr. Keynes: "I cannot keep in step with the bankers abroad and the unemployed here at the same time." To which the obvious retort is: "If you cannot fall out of step with foreign bankers now, how will you be better able to do so if all of you coalesce into one 'unified control'?—and, *how* would you do so if you *were* able?"

* * *

This leads directly to the real situation described as "interdependence." It is the dependence of every nation on the others for part of its trading-revenue—the price of failure to collect it being insolvency. It is the interdependence of, say, a group

of anaemic persons on each other for transfusions of blood—with the vital exception that in the case of financial credit its scarcity is artificial—a by-product of the bankers' rules governing the accounting of costs and the retirement of credit within each national credit area. We all have to pinch ourselves for the sake of others in order to pinch the credit of others. We live by stealing each other's washing. And that is the sort of interdependence which is sought to be maintained and fostered under the world-rule of Finance.

* * *

Where you have a situation in which the supreme needs of the nations are mutually exclusive, "interdependence" is the exact opposite of the true description of their relationship. Interdependence connotes reciprocity: but how can there be reciprocity when every nation is under financial compulsion to secure a favourable balance of trade? We cannot all export more than we import unless we pitch the balance in the sea and call that the "conservation of the resources of our planet."

* * *

When the system of domestic financing is corrected along the lines we are advocating the phenomenon of the glut may not disappear, but its manifestation will carry a totally different significance. Immediately, the provision of adequate purchasing power to peoples will reduce, perhaps eliminate, gluts. But ultimately gluts may re-appear in the shape of products surplus to need—equivalent to the remains of a hearty meal sent down to the kitchen. And when that point is reached—not a long process, having regard to the quick expansibility of the world's productive capacity—there will no longer be that meticulous regard for an exact balancing between what this or that nation contributes to the pool of wealth and what it draws out. The populations of more fortunately situated countries would hardly feel, nor would mind if they did, the effort necessary to provide those otherwise situated with a gratuitous supply of what they needed. As a matter of fact—and it is a joke—this country, for instance, has been doing this kind of thing for generations. Britain, when the workshop of the world, gave away workshops all over the world. Of course the workshops were not openly given, but they were handed over to India, Japan, and other countries merely in consideration of those countries kindly agreeing to owe Britain the cost. This was called "building up our permanent investments abroad." But how about interest? Oh, yes, we have been getting interest, but unfortunately those exported workshops have been earning it by undercutting our own in our accustomed markets—and even in our very own market. Here is a nice little problem that Mr. Wells might like to solve: What is the nature of the interdependence between a Lancashire cotton-spinner and a Lancashire maker of cotton-spinning machinery, both manufacturing for the Indian market? But, to pursue our theme; when, only a month ago, thousands of exhausted and semi-frozen swallows tumbled down in poverty-stricken Vienna, there were people who collected and fed them, and chartered aeroplanes in which they despatched them to Venice, whence the revived birds resumed their flight South. If the humanities have so persisted in the brutalising atmosphere of economic warfare, how shall they not be transfigured after the world's emergence into the era of economic concord?

NOTICE OF MEETING.

DOUGLAS CREDIT ASSOCIATION: GLASGOW MOVEMENT. In the Christian Institute, Bothwell-street, Glasgow, on Tuesday, November 24, Ex-Baillie P. P. McDevitt, J.P., at 7.45 p.m., will give an address on the Douglas Social Credit Proposals. Questions. Collection.

The Speech from Behind the Throne.

My Lords and Members of the House of Commons,

My relations with foreign central-bank directorates continue to be friendly. My Directors intend to pursue the policy of punishing unrest and ill-will, and to continue their active interest in the work of the Bank for International Settlements.

Particularly they are giving close attention to the approaching Disarmament Conference, the successful result of which would, I am convinced, remove the one universal impediment to the submission of national economic disagreements to the arbitration of International Finance.

The serious financial and economic situation of the world deeply concerns my Directors. They will do their best, in co-operation with other central-bank directorates, and in the spirit of mutual helpfulness, to find ways for restoring the volume of international exchange-dealings.

The Indian Round Table Conference continues its work, and a conference with representatives from Burma will shortly assemble. It is my earnest prayer that the deliberations of both these conferences will end in an amicable adjustment of their contemplated political constitutions to the requirements of my financial reservations.

Members of the House of Commons,

My allotments of credit for the public services will be communicated to you in due course.

My Lords and Members of the House of Commons,

The nation at the general election endorsed those measures for reducing incomes, and repaying my Directors' short-term loans, which constituted the first essential steps in the solution of the problem confronting the country by reason of the disinclination of my Directors, otherwise, to maintain their provision of credits for the purposes of the political Ministry.

The nation was also instructed through my publicity agencies to empower you to pursue a policy designed fully to re-establish the confidence of foreign central-bank directorates in my ability to control the internal economy of my people; and it was warned to give you authority to frame plans for ensuring a favourable balance of foreign exchange in my hands.

My Ministers have now received a clear and emphatic mandate to that effect. Decisions will be taken and applied with the least possible delay; and in due course any legislation that may be required to indemnify retrospectively my Ministers in respect of their acts committed at the instance of my Directors will be passed through Parliament under my dispensation of immunity from debate.

And I pray that Almighty God may have mercy on your souls.

The Films.

Splinters in the Navy.

Confronted with such artlessness, the critic is disarmed. Many people will, like myself, laugh at this production despite their better judgment; since it was made only to amuse, it has fulfilled its object. That it is beneath contempt as a film is unlikely to trouble its makers. Sydney Howard is not so good as in "Up for the Cup," in which he was much better directed, and too much of the film is taken up by the "Splinters" Concert Party, but it seems a safe bet to tip the picture as a box-office winner. This picture was pre-released last week at the New

Victoria, but has apparently been temporarily withdrawn from circulation.

The Guardsman: Empire.

The Empire is again showing the best new picture of the week. This is a brilliant screen adaptation of Molnar's play (which is by way of being a version in comedy of that old tragedy "The Unseemly Curiosity") and is so admirably acted and wittily written, that it should be seen by everyone who appreciates the theatre at its best. If I say the theatre rather than the film, it is because it is inevitable that a production of this nature should belong at least as much to the stage as to the screen, although it is certainly not photoplay. And if it were nothing but photoplay, one could forgive even the camera clamped to the studio floor for the sake of such acting as that of Lynn Fontanne, who succeeds in playing throughout on just the right note of artificiality. She is excellently partnered by Alfred Lunt, and Roland Young is admirable as the insufferable *ami de la maison*. "The Guardsman" is one of the wittiest and most truly sophisticated films I have ever seen.

Morocco: General Release.

I have never been a great admirer of the productions of the Paramount studios, among whose stars are Maurice Chevalier and the Marx Brothers, but this film makes me admire them still less. Here are such players as the incomparable Marlene Dietrich, and Adolphe Menjou, Ulrich Haupt, Paul Porcasi, and Gary Cooper, while von Sternberg directed. And the result is a film without even the redeeming feature of first-class photography. "Morocco" is insincere, irritating, unreal, and completely lacking in interest. The action is slow, and so is the dialogue—more maddeningly deliberate than even that of an English film—and the story and characterisation belong to the penny novelette. Marlene Dietrich is posed and photographed as though the director had intended nothing else than to make her impersonate Greta Garbo, which was, of course, largely the case; that she can be shown running across the Saharan Desert without shoes in the act of following a detachment of the Foreign Legion, again proves that in spite of all protestations of originality and attempts at "sophistication" Hollywood is still unable to achieve a final divorce from the movies of 1900. The gentleman beside me who went to sleep during the exhibition of this waste of good celluloid was a just critic of one of the worst talkies yet made.

The "Workers' Cinema."

Many of my readers will be interested in the *Worker's Cinema*, of which the first issue is now on sale. The paper is the official organ of the Federation of Workers' Film Societies, has a definite and clear-cut policy, and should serve as a wholesome corrective to the tripe published in the "bitty" periodicals devoted to the cinema, whose contents are largely devoted to uninteresting personalities about uninteresting film stars. It is the first publication of its kind in the country, and, to use a hackneyed phrase that is here justified, fills a real want. The *Worker's Cinema* costs 1d., and is to be had from the Federation at 74-76, Old Compton-street, W.1, or from "Books," 62, Old Compton-street.

This Week's Films.

Owing to the success of "The Italian Straw Hat," it is being retained at the Academy this week, together with "Faust." "Bachelor Apartment," with Lowell Sherman, is at Tussaud's, and the Stoll is showing "Strangers May Kiss," of which the special attraction is Norma Shearer, and Mary Pickford's "Kiki." At the Pavilion is "The Perfect Lady," the first English film in which the delightful Betty Amann has played, and the Regal is giving "The Star Witness," with a strong cast including Walter Huston. I have not yet seen this picture, which is a gangster film that I am assured is out of the ordinary. "The Guardsman" at the Empire. A general release which I recommend is "The Royal Family of Broadway," a very witty picture of theatrical life in which Ina Claire and Fredric Marsh give brilliant impersonations of John and Ethel Barrymore. Readers should ascertain the most convenient local theatre at which this film is being shown.

DAVID OCKHAM.

Verse.

TO A FRIEND IN SICILY.

As swallows from the south I greet them gladly,
Your cards, that bear as bounteous a spring
As that adream within the old Greek temple
And through the orange blossom wandering.

And these I set to catch our scanty sunlight,
These roofless pillars gazing out to sea,
That pictured even thus bestow about them
Their age-defying, wide serenity,

But what lies close is your one breathless letter,
The orange scent, that for one brief dear spring
Makes every breath delight, and ease, and wonder,
This is the swallow that with swiftest wing

Banishes continent and sea and distance,
All that divided us when thus you wrote
From the still ruins to myself in London,
Your hasty, love-begotten, breathless note!

SHEENA MACFARLANE.

NATIONAL CHRISTMAS.

There's overproduction of turkey
And overproduction of goose:
But don't for that reason feel perky,
For the country is gone to the deuce.

There's overproduction of onions
And overproduction of sage:
But all that is nothing; you cannot have stuffing.
Economy now is the rage.

There's overproduction of suet:
There's overproduction of plums:
But if you have pudding you'll rue it.
We must balance the Budget, my chums.

There's overproduction of all things:
But do not make that an excuse
For an orgy of eating and seasonal greeting.
We're bankrupt and gone to the deuce.

So farewell to the old English Christmas,
And give us the Norman instead.
Let Saxons and Celts all tighten their belts,
And, Lord, give us less daily bread!

E. O'D.

NOTICE OF MEETING.

Wednesday, November 18.—Film-slide lecture on "Modern Labour-Saving Methods of Production"; Kingsway Hall, 7 o'clock. Held under the auspices of Kibbo Kift. See full announcement in November 5 issue.

Press Directory.

JOURNALS WHICH HAVE PUBLISHED SOCIAL-CREDIT IDEAS.

"BRANCH NOTES."—London County Council branch of the National Association of Local Government Officers. Editor and Advertising Manager, A. C. Garrad, Flat Eleven, 5, Powis Square, London, W.11.

"THE HEALTHY LIFE."—Described as "The Independent Health Magazine." 6d. monthly. Editor, Edgar J. Saxon. Address: The Health Centre, 56, Wigmore Street, London, W.C.1.

"THE ADELPHI."—1s. monthly. Address: 58, Bloomsbury Street, London, W.C.1.

"THE CIVIL SERVICE ARGUS."—Organ of the Ministry of Labour Staff Association. Editor, Reg. D. Crook.

[Will readers add to these items, writing out the particulars on the same model as those printed above?]

Current Sociology.

The *Daily Telegraph* has lately devoted its publicity to methods of stabilising the pound without a so-called basis of gold, the most recent proposals published being those of Mr. E. J. Broster. Next day the *Telegraph* published the news, on the proposals "expressed by one of the most prominent and highly respected bankers in the City," a description which indicates in advance that the views referred to will be portentous nonsense.

> "While it is true that the volume of goods produced in normal times has been estimated to increase at a compound rate of about 3 per cent. per annum, variations are bound to occur from year to year, and to impose upon the Bank of England a statutory obligation to increase the note circulation annually at a compound rate of 3 per cent., irrespective of the prevailing circumstances, would, in my opinion, be fraught with real danger."

The prominent and highly respected banker who expressed those views did well for his credit in one sense to withhold his name. Behind the pedantic care and pretentious use of figures calculated to impress those whose respect is bred from superstition, this prominent and highly respected banker accepts all the enormous fallacies which more scientific enquirers have been exposing for thirteen years.

* * *

The reference to the increase in the volume of goods produced, with the cunning addition that "variations are bound to occur from year to year," is designed to give the impression—or based on inexcusable ignorance—that there is no control over the volume of production outside Heaven. But there seems little prospect of a prominent and respected banker ever contemplating the difference between the volume of goods which could be produced and the much smaller volume which is produced, owing to ridiculous limitations of productive power the worst of which are the principles on which banking is based. Any banker, moreover, or other person who purveys enlightenment for the general public, stamps himself as entirely unfit for his post if he so much as uses the phrase "normal times." He thereby betrays a wish that the state of the world might be suddenly changed, by direct divine intervention, to what it was in some past period when his own ideas and policies were not so evidently inadequate, precisely as the person who fails in New York sighs for the South again. This insidiously attractive phrase, "normal times," whenever used with constructive pretence, reveals a conscious or unconscious sabotage against the superior productive equipment of the present, as compared with the past, economic system. The distribution of the treasure which, instead of being containable in a cave, is an ever widening flow is not a task for those who, while shouting crisis, look for precedents.

* * *

The King's Speech at the opening of Parliament was one of those documents in the composition of which Mr. MacDonald is a proven master. In short it appeared to promise everything while undertaking nothing. Every sentence was an assurance that the re-organisation of the world could safely be left to Mr. MacDonald, the haggard and benevolent god who carries all the people's troubles on his own cross. Mr. MacDonald has all the qualifications required for a vice-regent of the Bank of England. He is vain, fluid without principles, anxious to retain the limelight, ignorant of the mechanism the faults of which cause all our woes, and has the perfect bedside manner for giving the incurable victim a placid end. As the corpse that is to be sniffs the odour of the funeral ham wafted from the kitchen, and wants a slice, Mr. MacDonald bends over the bed and promises with shining eyes and maternal caress, "presently." Mr. MacDonald invariably thinks internationally, and by doing so has done more than any other man to discredit internationalism. In a few hundred words the King's Speech roamed all over the world, and not once only. His Government, he promised, would do all that was internationally possible to restore the volume of world-trade, as if any volume hitherto reached would solve any present-day problem. "Restoration of the volume of world-trade" was Mr. MacDonald's more subtle phrase for "normal times." With his tongue in his cheek the soothsayer roamed over India, and then all over the Empire. Great Britain is not big enough to contain a single one of Mr. MacDonald's promises. One of these days he will be portrayed as the Archetype of the Politician, who meant all he said, and who always demonstrated, when everybody else had been deceived, that all he said meant nothing. He is the emptiest figure-head who ever accepted a job by the patronage of the City of London.

* * *

In the opposition and "independent" Press Mr. MacDonald has been shown much kindness. Almost everywhere his speech on the King's Speech has been treated as if it ought to be interpreted as the product of his own inner resource. His apparent intention to stabilise the pound before introducing tariffs, for example, was seriously considered as arising from Mr. MacDonald's mastery of finance. Thus the critics indicate that they are either contributing to the maintenance of a boycott on the discussion of financial fundamentals, or that, while not so ignorant as the Prime Minister, their learning belongs to an age gone by. The Opposition Amendment to the Royal Address assisted the Government and the Bankers to narrow the issue to trivialities and lost cases, and was composed by persons whose minds are lost in the mists of Nineteenth Century economics. The Opposition merely wanted to add to the vote of thanks a statement of regret that the King's advisers had

> "no policy for the . . . public ownership or control of the principal industries, including agriculture and the banking and financial machinery of the country,"

etc., etc.,

> "so as to enable the people of this country and the world to enjoy steady employment," etc., etc.

What a motion in such a crisis from the most intellectual and challenging handful sieved out of the Labour Party as worth preservation! His Majesty's reply might be much simpler than the Government's speeches in defence. The Labour Party knew very well beforehand that the advisers would put forward no such policy. There is no sign that anybody outside a handful of political theorists wants that policy.

* * *

There was good reason for the nationalisation and municipalisation of such industries and services as have been taken under State or municipal control. In some cases the institution was beyond the powers of a private company. Once the citizen was more happy about entrusting his correspondence to the State than to an individual person who might well be the agent of a competitor. Gas and water and tramways were often necessarily provided by the municipality because requirement did not encourage supply; or because insufficient private resources resulted in inefficiency and excessive prices. But State-control is at present suspect in every quarter, and for the right reason. The State is itself avaricious; it is failing to develop those services it controls; it stands for stabilisation, not for expansion. The State, in short, has become an insufficiently capitalised profiteer, working its monopolies not for the sake of distributing its services, but for repaying its overdrafts. That alone is sufficient reason why the Labour Opposition should have dropped its nationalisation campaign at least for the present.

* * *

The intellectual advisers of the Opposition, who no doubt helped to draft the Amendment to the Address, are behaving with a miserable talk of courage. They are still thinking in terms of direct supervision instead of control of credit, stage-coach instead of airplane. Rather than undertake the adventure of gaining their flock's acceptance of the new truth, they continue to subscribe to the old familiarities, and to demonstrate their incapacity for leadership. They wait for their followers to demand the new truth which the leaders already know. The chief implication of the amendment is contained in the object as stated, to enable the people of this country and the world to enjoy steady employment. Presuming to represent the working-class in particular, the Labour intellectuals and leaders have no more attractive destiny to offer it than steady employment, which is to be its joy. As long as Labour's intellectual advisers confuse the Work-State with Utopia, and subscribe to that Victorian identity of "regular work" and Paradise, the Labour Party's mission will be just as futile as if its leadership was handed to Mr. Lloyd George.

* * *

There were possible amendments to the Address which would not have been mere formalities; and which would have made it necessary for the member who spoke of Douglas to be reported. As the motion was drafted it was right that Mr. Leonard's speech should be omitted from the Press reports to give the space to the relevant, orthodox, but useless contributions of others. If the Labour intellectuals would study their Marx in the spirit instead of partly in the letter and partly not at all, they might then acquire competence to study other things. Marx was a great observer, thinker, and prophet. Nevertheless, events have not entirely followed the lines he laid down, chiefly because of the modification of capitalism to Finance capitalism by the European War. Marx has no solution of the money problem for even a socialised State. There is only one monopoly which truly cripples the proletariat, and that one, the money-monopoly, cripples Government and capitalists as well. Its power to cripple, and the use of that power, is not derived from the method or personnel of its administration, but from the academic, unscientific nature of the principles on which it rests. It is faulty technically, and those faults are not to be corrected by administrative changes alone, but only by the application of those principles of science and applied science which have themselves been the foundation of capitalism.

* * *

Other advisers would, therefore, have furnished other motions. His Majesty's advisers did genuinely omit to provide a policy for freeing the nation's efficient industry from the brakes imposed on it by the financial system. They provided no policy for distributing anywhere the product of an industrial system the only complaint with which is that it turns out goods faster than customers come to the counter. His Majesty's advisers are continuing to pursue a policy which can only make matters worse. All their remedies are directed at things which are not the disease, which is quite obviously a shortage of purchasing-power, and might be easily cured. The system of distributing purchasing-power is so inadequate to the system of producing goods that in all developed countries purchasing-power has to be subsidised. Canada is about to float a Dominion National Service Loan. The chief cause of its necessity is expenditure on out-of-work relief. Such a loan is a transfer of capital to consumption, which, if there is any conceivable use for the capital as such is silly, since the consumption could be financed quite independently.

* * *

The method of house-purchase by mortgage-repayment has largely been a genuine transfer of consumer-purchasing power from one pocket to another. The small investor in the building society refrains from consuming to-day for fear of not being able to consume to-morrow. The borrower receives a definite subsidy in order to consume a house. Nevertheless, it is socially unnecessary for the lender either to fear, or to practise self-denial, since his doing so is accompanied by so-called over-production to-day, the orthodox remedy for which is the limitation of production to-morrow, when the fearful saver may want to consume. All these efforts to subsidise the consumer without the technical equipment for doing so in an orderly, scientific way defeat themselves by intensifying the disease. The intensification of the disease is the policy of the advisers of His Majesty, and it could have been the centre of attack by His Majesty's Opposition. But the latter will have to cease thinking in terms of the work-state. That work is a necessary penance which all must perform for consumption-tickets leads to the ridiculous state of affairs in which a foreigner may not be invited to sing for us, for the reason, not that he is a bad singer, but the work of singing is limited in quantity, and some native has more right to it than the foreigner. By the time Mr. MacDonald and the bankers have set things really in motion, there will be no foreign songs, no foreign poems, no foreign books, no foreign opera; unless art sets up a system of exchange independent of banking, and barters tenors for basses, English hymns for Italian sonnets, and Ikey and Mose for a couple of American darkie comedians. The banking-system is a dry wind, making a desert of the earth.

PAUL BANKS.

Notice.

All communications requiring the Editor's attention should be addressed directly to him as follows:

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.

* * *

Will correspondents who write letters for publication clearly indicate whether they want their names and addresses printed or not.

Except in cases where the writer has definite reason for preserving anonymity we should prefer to print his name and address.

There are two reasons:—

Firstly.—In view of the possibility of interference with, or suspension of, the service of THE NEW AGE as the connecting link between its readers, it is advisable that as many of them as possible should get to know who and where each other is and lives.

Secondly.—In view of the increasing number of requests for information on technical points sent us by recently recruited students of the Social Credit Theorem, it is impossible for us to answer them all so fully as we should like or as some of them require to be answered. If, then, the enquirers allow their names and addresses to be published, no doubt many of our older readers would like to write to them direct. The latter will recognise that their time will be better spent in assisting people who are taking the trouble to ask for information than in campaigning for converts among the inert and indifferent public.

News Notes.

HUNGARIAN FINANCE.—In the Paris journal *Forces* of November 6 there is an article on Hungarian finance. The writer says that the Hungarian Government deceived the League of Nations about its foreign indebtedness, giving this as £150 millions gold, whereas, according to Sir Walter Layton, an enquiry in London put the debts of the bank alone at £140 millions gold. The same writer quotes from what purports to be a speech made by Count Bethlen to a confidential gathering of the Union Party the following points: "I am reproached (apropos of borrowing) for not having thought of the future. But, yes, I have thought of it. I have borrowed as much as I could at whatever the rate, because my chief purpose was to equip and arm my country for the great 'due date' which will come one of these days.". . . "I was, and am, convinced that we cannot continue to live as at present, and that only our swords will enable us to obtain a larger slice of the loaf." . . . "As to the repayment of the debts contracted I have never thought about repaying, because I was, and I am, convinced that war will clear up everything, and that war will clear the slate of our current account." Count Bethlen then answers the question: "What has become of the money" since "a large part of the indebtedness never entered Hungary?" by referring to the large sums that he had to pay for the services of foreign bankers and foreign newspapers when raising loans. In one place he mentions the name of Mr. Montagu Norman as "always our great protector at London," also the name of Sir Otto Neimeyer, in connection with (the speaker's) negotiations with Kühn Loeb and Co., of New York, alleging that the commission claimed from him as a condition of the Bank of England's "intervention in our favour in New York" was "five millions of Swiss francs." Similarly with French loans; he had to pay £400,000 gold to buy French bankers and politicians, and £120,000 gold to buy the French Press. In conclusion, Count Bethlen reminded his critics: "I have only done my duty as a patriot. Perhaps I have been a gambler. But you forget that our country had not much to risk."

"PEACHES LEFT TO ROT."—In a recent issue of the *New York Times* W. C. Burns, a peach grower of Mayesville, Georgia, tells his experience with forty carloads of peaches of this year's crop. He shipped sixteen carloads and lost so much money that he left the rest to rot. The average price received was $551.62 per car, cost of selling and handling was $43.23, railroads were paid $319.39, while he received but $188.98 per car for his fruit. Out of his net receipts he had to pay $91.50 for crates and $115.28 for picking. The fruit failed to pay cost of crates and picking, to say nothing of taxes, fertilisers, spraying, etc. In this case, only one dollar per day was paid to fruit pickers. It is estimated that the railroads lost the opportunity to haul five thousand cars of peaches from that locality because the rate is so high as to leave nothing for the grower.—*American Bee Journal*, October, 1931.

WESTMINSTER HOSPITAL'S OVERDRAFT.—According to a report in the *Evening News* of November 3, the Westminster Hospital has been called on to repay £10,000 off an overdraft of £27,000 before Christmas, and the remainder by June 30. The Secretary says there are only two courses open, unless people "come to the rescue"—to cut out research work, including radium treatment, or to sell capital to the amount of the overdraft. There is a third, however, which is to sit tight and not pay. There is a snag in it, which is that the debt may be secured on the personal estates of the Governors. The report says nothing on this point (nor, by the way, does it mention the name of the bank—an omission to which we call the attention of everyone who thinks that the Press publishes whatever news it thinks important). If the loan is unsecured, or secured on the hospital building, let the Committee wait and force the bank to come into Court. If investment securities have been pledged, of course the bank can sell them without recourse to the law. In that case the moral for the hospital is to stop accumulating endowment reserves in future and to keep all its windfalls fluid. The trouble is that hospital-finance is conducted under the close supervision of bankers or personages who accept the principles of "sound finance." And the further trouble is that any hospital which pursued an independent financial policy would soon find all avenues of publicity for its appeals for funds obstructed, if not closed. Interested readers might write and ask the Secretary for further particulars. Which bank is pressing?—what can it do if there is no repayment?—does it, in fact, mean to enforce its claim, and, if so, against whom would the claim lie?

NEW AUSTRALIAN WIRELESS POLICY.—Cables in the Press recently have announced that early next year the Australian Commonwealth Government is going to take control of all broadcasting. Hitherto one wireless service has been conducted by an independent commercial undertaking, and presumably it is through this service that Social Credit lecturers have been able to give their weekly talks to listeners on the financial problem. We will now wait and see if these facilities are continued when the Government—or, rather, the Commonwealth Bank—takes over the supervision of programmes. ("Hullo! Gibson calling. We are now to have a little talk on the Douglas Social Credit Proposals." Sez you! The microphone would explode like a Mills bomb.)

BANK PROPAGANDA IN NEW SOUTH WALES.—Since July the Bank of New South Wales has been running a Circular written up on lines familiar in London. It has also issued (in common with other banks) a leaflet purporting to prove that banks have not been unduly contracting credit. The proof consists of a statement by Chief Judge Dethridge, of the Commonwealth Arbitration Court, that the figures of banking statistics show a rise between 1914 and 1930 in the ratio of Advances to Total Assets from 67.79 to 79.09 per cent.; and of Advances to Deposits from 72.79 to 99.68 per cent. The Judge got the figures from the Government Statistician, who got them from the Trading Banks', published returns; and he concludes from them that "there has been no undue contraction of credits by the Banks." The answers to this hasty conclusion are (1) The ratio of Advances to the Deposits or Total Assets of the banks is worthless. For evidence to be relevant to the charge of deflation it should show ratios of Advances (or Deposits, or both) to *business costs*, prices and *debts*, including *business losses and writings down of capital* during the period. (2) The figures recording Advances do not measure the amount of money in active circulation—i.e., accessible to manufacturers and tradesmen. Mr. McKenna pointed out in one of his speeches that Advances, when they were spent by the borrowers and thus became Deposits, did not necessarily all go into current accounts. The depositor might not want to use the money at once—and in a period of general depression he might let it lie in the bank on deposit for months on end. Curiously enough, only a fortnight ago, a gentleman who entered into conversation with the writer (not knowing who he was), and who said he was legal adviser to a certain financial institution, imparted the information that, to his knowledge, "there is more money lying in the [London] banks waiting for investment to-day than there has been for the last twenty-five years." It is money in current accounts that indicates the active circulation. But no bank that we know of analyses its "Deposits" into money on current account and money on deposit account. (3) Figures recording Advances do not of themselves reflect the *net* issue of bank credits. If a bank advances £100 to someone else and at the same time sells a security to someone else for £200, the net result is a contraction in the amount of outstanding credit by £100, not an expansion by that amount, as the "Advances" record would indicate. (4) To ("Bank sales destroy deposits," Mr. McKenna.) sum up: Judge Dethridge might just as cogently have read his judgment from a barometer as from the statistics he relied on. Bankers are old soldiers, and how they count is worse than "not evidence"; it is false evidence.

RENT STRIKE AT PECKHAM.—The *Evening Standard* of November 13 reports that 6,000 unemployed are engaged in a "rates-war" at Peckham. It appears that a large number of these men were cleared out of their homes under slum-clearing schemes by the London County Council and transferred to the model dwellings estate, where they were called upon to pay rents twice as high as those of their vacated homes. And in addition they have to find sums like £2 15s. per quarter for rates. At the time of the report the tenants were barricading and picketing their homes to keep the bailiffs out. They are all in arrears, and some of them have been sent to prison.

MORTGAGE MORATORIUM IN LOS ANGELES.—Legislation is being considered which will give the mortgagors of small houses a year's moratorium in respect of instalments of principal.—(*San Francisco Examiner*, October 27).

ADDITIONS TO THE BANKERS' FLEET.—The vessels of the Nautilus Steam Shipping Co., of Sunderland, have been seized by "the bank." [What bank? No information, as usual.] Deficiencies, £439,807. Owing to the bank, £175,219. Vessels valued at £700,000 eighteen months ago: now valued at £130,000. Should they realise that sum the bank would still be owed £45,219.—(*Newcastle Evening Chronicle*, November 12.)

BANK FORECLOSURES AND REDUCED ADVERTISING.—A significant article appears in the *World's Press News* of November 12, entitled, "Are Banks Strangling Advertising?" The author raises the question of bank foreclosures on insolvent businesses, and suggests that the new owners, instead of trying, through advertising, to make them prosperous again, are only concerned to "safeguard their own interests." . . . "Severe retrenchment" . . . drying up of advertising." He compliments the banker-owners on being "careful watchdogs," but remarks that they "know nothing about the selling of goods."

WHO OWNS BANK-MONEY?—Mr. Henry Bell, director of Lloyds Bank, so late as September 26, revived the old yarn about the banks' resources. "It will be well for everyone to appreciate that these great sums are *lent* to the banks by members of the public." He said this to a Conference in Birmingham arranged by the Society of Friends. We see that Mr. A. L. Gibson addressed the Conference on Social Credit. The "Conclusion" of the Conference was that we ought to have (1) an "international monetary standard" (2) no more reparations, war-debts, or armaments. And that's that. We hope everybody enjoyed himself. By the way, it might be useful to ask Mr. Bell this question: Where did the first deposit come from?

The Real-Credit Inheritance.

JOULE'S CONTRIBUTION.

By James Golder, M.I.Mech.E.

In the reading-room of St. Ann's Church, Manchester, on April 28, 1847, a popular lecture was given by a man who turned out to be not only one of Manchester's ablest sons, but one of those epoch-making characters who raise the credit of the whole human species.

It was James Prescott Joule, aged about thirty years, and his subject was "On Matter, Living Force and Heat." In this lecture he gave the first exposition of the law of the universal conservation of energy, and, probably without knowing it, left the clue which may yet prove to be the pledge of human immortality.

Not, be it noted, immortality in the usually accepted sense of survival AFTER the unpleasant shock of somatic death, hitherto considered to be inevitable; but something very much more interesting and attractive to sentient social beings. For example, the possibility of adjustment to environment so perfectly balanced as to make personal survival volitional and death accidental.

Joule, like most of the early physical philosophers, trod reverently, as men who walked on holy ground. He worked with instruments of great refinement and precision, largely of his own making. He stated his conclusions with a quiet modest confidence. He backed each one by mathematics. He announced them with a combination of humility and dignity, which, from the elevations his researches have since made possible, looks like nothing so much as the condescension of the gods themselves.

Yet the newspapers paid but scant attention to it. One even refused to give it a notice. The *Manchester Guardian* of that day agreed to print, as a favour, extracts selected by themselves. It was not until after long debate that the *Manchester Courier* could be persuaded to insert the whole of the lecture, and this was only conceded as a special favour to the author's brother.

Thus was announced what has been called "the grandest generalisation in the universe"; born, first in the consciousness of the discoverer, and given freely to the world almost in synchronism with the failure of the potato crop in Ireland and the harvest in England, out of which a new era emerged.

The lecture, thus fortunately preserved, was lost sight of for several years, until it was borne in upon the minds of others engaged in similar studies who, on taking up Joule's work, saw and accepted the law of conservation as one of the fundamental laws of the universe.

Joule was born on December 24, 1818, at Salford, the second son of a family of five. His father was a wealthy brewer, but James never took an active part in the management of the brewery. Indeed, he does not seem to have ever been engaged in trade or commerce of any kind. There has been, as Major Douglas has revealed, by far too strong a tendency to emphasise heavily, and praise superlatively, virtue and diligence flourishing in the gutter, as if they could but rarely flourish elsewhere. Joule had a father who seems to have been able to combine wisdom with indulgence, and who took some personal interest in the real education of his family. He thus gave to the world one more of the many (little advertised) proofs that the gutter is not necessarily the best place from which to start a career or to test the quality of incipient genius. It is interesting to speculate whether Joule's life and character would have developed as they did under circumstances of penury and want.

To begin with, the boy was delicate and had to undergo treatment for the spine. Yet without being anything but an otherwise normal youth, he gradually became absorbed in studies and researches which his father encouraged in every way. Evidently having an eye for the best, his father arranged that Joule should commence his studies under Dalton, that brilliant father of the atomic theory, by which law and order were first introduced into chemistry.

He had a room in his father's house at Broomhill for a laboratory, where, though all unconsciously, he commenced the research which was to end so successfully. He appears to have lived and enjoyed to the full all the amenities of the life appropriate to his comfortable station, and by the age of twenty-five possessed the attributes of sober and experienced manhood, while at the same time he had apparently mastered all but one of the relations between the various physical effects which later disclosed to him the law of the conservation of energy.

The influence of Dalton was naturally great upon young Joule and upon his work, but he appears to have had a natural bent *to observe for himself and to trust the conclusions based upon his own observations*. Dalton's laboratory in the buildings of the Manchester Literary and Philosophical Society, 36, George-street, where his studies began, brought him into intimate contact with the simple but effective home-made apparatus of his master, and doubtless encouraged him in his own experimental work, the most remarkable feature of his career.

Joule's discovery of this great generalised universal law, that matter and energy are but different aspects of the same indestructible thing, resulted from a very simple observation. It was doubtless common sense, since it was every day common experience in his father's brewery that the mechanical stirring of water raised its temperature; but it was the brewer's son who pondered on the implications of these things and pursued the "why and the wherefore" so assiduously and so accurately that he *particularised* the law into a mathematical equivalent.

Indeed, it might be truthfully said that it was Joule's theory of the existence of a natural fixed rate of exchange between mechanical energy and heat, and his pursuit thereof, that, on finding it, he was able to announce with calm confidence the grand generalisation already alluded to. He argued indisputably from the particular to the general, and asserted the first law of the new science of thermodynamics in the following words:—

> "That the quantity of heat capable of increasing the temperature of a pound of water by one degree Fahrenheit requires the expenditure of a mechanical force represented by the fall of 772 lb. through the space of one foot."

It speaks volumes for the accuracy of observation and the delicacy of manipulation shown by Joule, that, with all the improvements in thermometry and scientific observing and measuring apparatus generally achieved after nearly one hundred years, no experimental philosopher has been able to confound the law; and, as for the "equivalent," it stands fast to-day, as it left the hands of its author, *correct within a fraction of one per cent.* (Some recent text books have, quite pedantically, changed it to 778.)

This immutable law of conservation has been the guiding star of the new profession of power engineering emergent from the Faraday-Parsons experiments, and "Joule's Equivalent" has been the magic wand or acid test of efficiency. By means of the law, perfection of objective performance can be estimated, and by means of the equivalent, achievement can be accurately calculated. It is, therefore, no exaggeration to say that the influence and importance of Joule to the present generation is equal to

that of such men as Columbus, Copernicus, Galileo, Newton, Watt, Faraday, and Parsons. Their services remain a permanent heritage.

The present age of power-engineering has revealed the human will in complete and permanent possession of nature's rude materials and forces. This has only been made practicable through minds possessed and methods applied by men of such quality as Joule. Men who are Britons indeed, *in whom there is no guile*. Readers of this journal will be interested to be reminded here of a passage in *Economic Democracy* where Major Douglas speaks of the new economic system's having " as its basis the principles of the law of the conservation of energy."

The Douglas equivalent, or just rate of exchange, on this basis is expressed for any ultimate product as $C = P \times n$, where C = financial cost, P = financial price and n = a factor of efficiency (normally less than unity) *discounting* inevitable wastage and depreciation, both of which are at present erroneously accounted INTO price. With arrangements of this description the internal pound sterling would have a calorific value bearing some intelligent relation to human effort, within a stability range no wider than healthy blood temperature; instead of, as at present, a thoroughly unstable, because highly fictitious, propaganda value, of great subtlety and ingenuity, for the concealment of error, and the maintenance of remote financial control.

Though Joule made his discovery early in life, it remained his sole possession for many years. Not because he held it as a secret. On the contrary, he gave it openly and freely to the world. But rather because there was no mind extant of like capacity. Silence as to Joule's views was not rejection. They were so advanced that no one had sufficient confidence in his own opinion to venture an expression either way.

Gradually, however, other experimenters and researchers began to emerge, and the new science of thermodynamics was born into the world, accompanied by such other names as Rankine, Thompson, Clausius, Carnot, etc.

In later life his countrymen and fellow citizens duly " honoured " him. This means that he was recognised as having " honoured " them. In 1870 he was awarded the Copley medal, the blue riband, at that time, of English science. He was elected president of the British Association in 1873.

He died at the age of seventy-one, and a small tablet in Westminster Abbey, not far from the plaque of Darwin, reminds the passers-by that James Prescott Joule was the discoverer of the Universal Law of the Conservation of Energy, that he calculated the mechanical equivalent of heat, and that he was a Lancashire man.

LETTERS TO THE EDITOR.

TO MANCHESTER AND DISTRICT READERS.

Sir,—My committee would be obliged if you would give publicity to a meeting to be held at the Milton Hall, Deansgate, Manchester, on Monday, November 23, at 6.45 p.m., for the purpose of forming a Manchester Douglas Social Credit Association.

T. C. WRYCROFT,
Secretary, *pro tem.*

Burrfields, Chapel-en-le-Frith, via Stockport,
November 11, 1931.

SOCIAL CREDIT IN THE ELECTION.

Sir,—As a Parliamentary candidate in the recent General Election, I should like to express my thanks to THE NEW AGE and to Major Douglas for the help that I have derived from them. Time and again during the Election the question was raised—" Where is the money to come from? " together with many other similar points directly connected with our financial system. But for the previous tuition received from the above sources these would have been very difficult to answer.

I might also state that I have found the Social Credit leaflets to be of great value.

J. DELAHAYE.

" CAN THE KANGAROO JUMP? "

Sir,—I suggest that our progress has been hampered and Social Credit exponents discouraged from active work by the defects of our own propagandists. It seems to me that few of our writings are sufficiently explicit. The subject is difficult enough, goodness knows, and needs as much lucidity as it can get. Too many of our workers, in the quite laudable hope of avoiding time-wasting argument, seem to fall into the other extreme and rely on assertion instead of reasoned discussion, with the result that enquirers are overawed into silence instead of being roused to active interest.

Mr. John Hargrave recently pleaded for more sincerity and openness in Social Credit propaganda. This writer is not given to wasting words, and hence probably notices a lack in our work of those invaluable qualities. I will not labour this point further except to say that, for once, Mr. Hargrave and myself are here in complete agreement.

Then I suggest further—and here I fear that Mr. Hargrave will *not* agree with me—that we need far more tolerance in our discussions. For example, how many Social Credit exponents trouble to be decently polite to the Socialists, whose work seems to lead irresistibly in our direction? It seems to be almost a crime to have any views differing from the pure milk of the Douglas word. Yet surely the more original thinkers we can have on this subject the better.

To sum up—I suggest that the way to keep our cause from being hopeless is to concentrate our attention on making Social Credit propaganda explicit, straightforward, and tolerant.

I. O. EVANS.
Head Mess, The Leisure Society.

SOCIAL CREDIT IN WESTERN AUSTRALIA.

Sir,—At the 1931 conference of the Australian Natives Association, W.A. Branch, the following resolution was carried:—

That this conference instruct the incoming board of directors to advocate for some system of control of national credit and price regulation along the lines suggested by Major Douglas and other economists.

Messrs. Pericles, Graham, and Hearne presented the motion and, after several questions had been asked, it was carried unanimously.

A second motion was then carried that the board of directors request the Federal Parliament to invite Major Douglas to Australia so that he might place his views before the Parliaments and people.

It was considered that as Sir Otto Niemeyer had been invited by the Governments to Australia and his suggestions had panned out as would be expected, that it could do no harm to have a view from one who has no interest in banks or party politics.

The movement is spreading rapidly in Western Australia, but is sadly hampered by literature. The Daily News, an evening paper, publishes some of the stuff, but the morning paper, the West Australian, boycotts us.

Now that the A.N.A. have taken up the proposals it will mean they will be expounded through the columns of their paper, the Advocate. This paper has a wide circulation throughout the State, and as a result the movement will expand.

J. PERICLES.

IS THERE A PRESS BOYCOTT?

Sir,—This subject, which interests me and other journalists greatly, has emerged again. From time to time I have hunted for evidence of a Press boycott of Douglas and Social Credit, but I have found none; and I have never been able to find any other journalist who knows of any. That is to say, any newspaper man who attended any meeting addressed by a Social Credit exponent would report just as much of it as he thought to be interesting. And he would expect to see as much of his stuff emerge into print as of any other report he made. Surely if there were any kind of boycott one would be able to find a journalist in Fleet Street who had some slight evidence of it?

Let me be bold enough to say what I suspect now to be the truth. The Social Credit movement lacks a capable publicist. Does anybody believe that a G. B. S. would fail to get Social Credit into the newspapers if he were a disciple? Perhaps some of your readers—tolerant as they are of your hunting out of bogey-men—would believe even that. Certainty no newspaper man would, unless this letter brings forth evidence a little more impressive than a local editor's failure to publish a dull epistle.

H. S. GOODWIN.

8, Elms Road, Harrow Weald, Middlesex.
November 13, 1931.

[(1) Eight years ago a well-known journalist was privately warned by a well-known Press magnate to have nothing to do with Social Credit. The warning was in a friendly spirit—" as journalist to journalist "—the magnate saying that it would endanger the journalist's career if he got mixed up in the business. We had the story from the journalist's own mouth the same week as the incident happened. (2) The *Financial Times* in 1922 published a leading article of a column's length on the Labour Party Committee's Report on " The Douglas New-Age Credit Scheme." The article did not mention Major Douglas's name, nor that of THE NEW AGE, nor give even the faintest outline of the nature of the scheme. (3) An international banker with a world-wide reputation told an overseas economist, who was visiting this country about a year ago, that he had " never heard of " Major Douglas. It is within our knowledge that Major Douglas's analysis and proposals had been brought to the attention of this banker by another banker whose name is well known and respected in the City. (4) An important engineering association a few years ago invited Major Douglas to read a paper before its members. The paper was printed and circulated according to the custom of the association. A day or so before the date for hearing it the secretary advised Major Douglas that the paper could not be read. In spite of requests to do so he was unable to offer an explanation. Thereupon Major Douglas sent in a substantial bill for professional services in preparing the paper—and the association paid up like lambs. (5) When our immediate predecessor took over this journal, one of his canvassers booked an order from an automobile firm for an advertisement. The next day the firm cancelled the order. The canvasser called to know why. He was told that they were not going to advertise in a journal which stood for a scheme to make them sell motors at a loss. (6) We know of one case in which officials in a leading newspaper office stated that Major Douglas's name and theorem were taboo. (7) We know of another case where newspaper reporters, after a public function held in support of Social Credit, told the promoter that they would take in the reports, but warned him not to expect to see them in print. (8) A well-known newspaper-distributing wholesaler recently gave an advance order for a quantity of a new booklet dealing with banking, doing so on the recommendation of a " reader " belonging to a well-known publishing house. Shortly afterwards this wholesaler sent for an advance copy to inspect. A day or so later he cancelled the order. . . . (9) You submit the hypothesis that the reason why Social Credit is neglected by the Press is that we lack a " capable publicist "—instancing G. B. Shaw as the kind of publicist you mean. You say that he would soon get Social Credit into the papers " if he were a disciple." Seeing he is, to our knowledge, definitely hostile, and explicitly so in private correspondence, we suggest that you inquire why he has not publicly tilted at Social Credit—the subject offers a wide area for attack along the lines on which G. B. S. has made his name. (10) When the Macmillan Evidence is published, will you write a critique of Major Douglas's short statement to the Committee (favourable or adverse so long as the statement is not distorted in any essential particular) and offer it to *The Times*, if necessary at advertising rates. If it is accepted, we will see you through with a commission for yourself. (11) If you grasp the implications of Major Douglas's proposals you should realise that the antecedent probability of their being denied publicity is so strong that the boycott should be assumed without evidence. Of course, if you think that the Press can safely ignore the wishes of High Finance, this argument will not appeal to you. Otherwise, we submit that the bankers would be fools if they did not procure the suppression of Major Douglas's views. —ED.]

NAMES OF SOCIAL CREDIT CORRESPONDENTS.

Sir,—Concerning the matter of publishing names and addresses of S.C. members so as to afford centres of information for people wishing to know more about these proposals, would it not be a good idea to publish the names and addresses (of those willing, of course) of a few of our S.C. supporters up and down the country? They could be kept in THE NEW AGE for a few issues, and readers could be asked to make a note for future use in the case of necessity. Our secretary is quite willing to have his name published in this connection. As you know, his name is W. B. J. Jones, 47, St. Peter's-street, Glasgow, C.4. Also Major Douglas's books and books on S.C., including H. M.'s pamphlet, can be now had at Grant's Educational Co., Ltd., Union-street, Glasgow.

W. FINLAY.

Sir, " . . . connecting link between . . . readers no . . . doubt many of our older readers would . . .write to them direct."

Would it not be advisable, if possible, to draw up a small pamphlet of the names and addresses of readers and any other persons who are acquainted with and believers in the New Economics or Douglas discovery and proposals, so as to have a sort of directory for inquirers to use? I am one of the " recently recruited students."

H. WARREN.

ANSWERS TO CORRESPONDENTS.

" SOCIAL CREDIT IN SUMMARY."

E. O. R.—Paragraph 2 is correct. Financial credit comprises bank-credit and State-credit, i.e., cheques and currency. In paragraphs 6, 7, 8, and 9 the term " financial credit " is not used in a different sense; but, *for the purpose of the argument*, it was not necessary to trace out the operation of the *currency*-component of financial credit. Paragraph 2 states that the proportion of currency is small—the great bulk of credit operations being carried out by cheques. The amount of currency in circulation is not only small but constant. It is the enormously variable factor of bank-credit (£45,000 millions turnover in a year as against an average total of deposits not exceeding £2,000 millions) which produces the consequences described. The argument will hold good just the same if you assume that there are no cheques, but that all transactions are in currency. In that case banks would print and issue notes to borrowers, and retire them. The fact that they could lend retired notes again, instead of printing new ones, does not affect the result in terms of income and costs outside the banking system—for every new loan would be a *new debit* on industry, whether the notes had been used before or not. The effect on costs and prices would be exactly the same as if all notes were torn up by the banks as and when received in repayment of loans. We are sorry that the ambiguity puzzled you. However, since the pamphlet was written, " State credit " has disappeared—unless you like to apply the term to our coinage. Currency notes are now one form of bank-credit, and there is no technical reason why they should not supersede cheques. There is the practical objection that the substitution would be cumbersome and unsafe (thefts). And there is a political reason, namely, that the banks want to maintain low supplies of currency as an excuse for restricting the volume of credit. However, all this has nothing to do with the thesis which the pamphlet seeks to prove.

THE BOYCOTT.

H. C. M. (Glasgow).—The publication of your letter is noted. The journal in which it appears agreed, at a correspondent's request, to invite Major Douglas to contribute an article. Later on, when Major Douglas (who had been out of London at the time) offered an article, it was declined. The agreement to invite the article was in November, 1929; and the declining of the offer was in April, 1930. Perhaps, in the meantime, the softness of the editor's brain has transferred itself to his heart. Wait and see.

QUESTIONS.

A. M., Accrington.—All the questions you ask are being dealt with from time to time in this journal; and answers to most are in various pamphlets on Social Credit. Let us know what reading you have done other than in THE NEW AGE.

WHY VOTE?

J. Evans.—(1) It is purely a matter of guesswork whether any Party in office can do more for the workers than any other. (2) We complimented the electors who voted against the National Government on the ground that they resisted being stampeded. Our compliment did not imply that we agreed with their decision to vote. On the contrary, if they had abstained there would have been no Opposition at all—and that would have provided us with the best entertainment the politicians had ever put up.

NOTICE.

If the voter who wrote " Social Credit " across his or her ballot paper at Sheringham, Norfolk, on October 27, would care to be put in touch with two advocates of Social Credit in the same town, will he or she write to the Editor?

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