THE

NEW AGE

INCORPORATING "CREDIT POWER."

A WEEKLY REVIEW OF POLITICS, LITERATURE AND ART

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NOTES OF THE WEEK.

The City Notes in *The Times* of November 16 commenced as follows:

"Since September 21, when gold payments were suspended, British investors have been prevented from purchasing securities abroad; that is to say, they are not permitted to lend to overseas borrowers. Therefore no country can buy from us more than it can pay for in goods, services or gold. It cannot buy from this country with paper, i.e., securities, which are promises to pay in the future. It is calculated that this country has £4,000,000,000 invested abroad. This represented the total surplus of our exports of goods, services and gold over imports of these things during a long period which were paid for in securities by the receiving countries. As we may not, for the present, buy securities abroad, it follows that this country cannot have a surplus of exports over imports, i.e., a favourable balance of trade. Britain has necessarily to lend abroad again before she can build up once more a favourable balance of trade. The making of a loan abroad simply gives the borrower the right to draw a cheque on a London bank, and the proceeds can only be spent in Britain, as the borrower is no longer able to obtain gold and ship it abroad to spend elsewhere. Pounds sterling can only be spent in Great Britain, where it is legal tender. If loans cannot be made to foreigners, the latter cannot purchase goods from us, except to the extent that we purchase goods from them."

This candid piece of exposition from the City should be carefully preserved for reference. So far as we can remember, it is the first intelligible and coherent account of the fundamentals of international trade which has proceeded from the Mansion-House oracle. It is a pity that *The Times* (and the rest of the Press) did not make the public aware of this explanation of what "coming off the gold standard" meant before Britain came off it. The reason why they did not was that an informed public would not have been a scared public, whereas organised finance wanted to have a scare, and to use it as an implement for getting a Government on whose subservience or obedience it could rely. We have a Government to-day of whom generally it may be said that they are convinced that the promotion of Britain's national interests is only possible through international action. They are not a National, but an International, Government: they are in office by reason of British votes, but they hold themselves responsible also to foreign voters. They do not say so, but their policy is that of a Mandatory Government appointed by a single international interest to administer British affairs conformably with a world-policy which the British electorate does not understand, and could not control if it did. There is only one single international interest—that is, only one world-wide organisation whose component elements do, or can, play into each other's hands, and all benefit at one and the same time. It is the Credit Monopoly.

* * *

Capitalism, however extensively interlocked, enjoys no comparable immunity from the consequences of neglecting national interests. Under the present financial system Capitalism is the sole paymaster of populations; and national sections of international Capitalist combines are responsible for provisioning their respective national populations with sufficient money to maintain a tolerable standard of life at any given price-level. The penalty of failure is civil war, in which the Capitalist is himself involved together with his fixed and concrete resources. Unlike the Credit Monopolist, the Capitalist cannot fly from trouble and take his property with him: he must stay and defend it, or else abandon it. What is loosely referred to as the "flight of Capital" is really the flight of the Credit-creating Monopolist from the Credit-borrowing Capitalist. The effect of financial policy and procedure in every country is to force Capitalism into ascertaining by actual trial and error how far it can drive the population down towards the mere survival-level of existence without provoking violence. And if at any time anywhere Capitalism oversteps the mark and gets into trouble, the Credit Monopoly

shuts off supplies. It is within this framework of reference that *The Times's* exposition should be examined.

* * *

Before proceeding we must quote an amusing passage from " Samuel Pepys's Diary ":

> " To Sir Philip Warwick . . . he showed me indeed many excellent collections of the State of the Revenue in former Kings and the late times, and the present. . . . He showed me a very excellent argument to prove, that our importing less than we export, do not impoverish the Kingdom, according to the received opinion; which, though it be a paradox, and that I do not remember the argument, yet methought there was a good deal in what he said."

We wonder what was the " very excellent argument " that was brought against the " received opinion " that when a country parts with real wealth on balance it is poorer on balance. It is significant that although Pepys saw the paradox yet his mind remained affected after he had forgotten the argument. But to-day there is a complete suspension of critical faculties—so much so that the Pepys's of to-day are ready to reject any financial proposition that is not paradoxical. They would hardly believe that the nursery story of Jack Sprat and his wife could happen in real life.

* * *

There is little doubt that *The Times's* analysis of the situation has been provoked by the exuberance of the Protectionist elements in the National Party. Broadly speaking it is an argument directed to show that a tariff policy cannot affect the trade balance. And the reason why the argument discloses so much of the truth is that the effective persuasion of the Protectionists to go slow is an extremely urgent necessity. The bankers are in very much the same kind of position as was Sir Robert Gibson in Australia when, through his neglect to save the N.S.W. Savings Bank from closing its doors, he started a panic which extended to depositors in his own, the Commonwealth Savings Bank; and in order to hold up their threatened run on the Bank, had to advertise the fact over the wireless that the Bank had power to print currency in any quantity necessary to pay them out. Similarly here, our bankers, through their ill-judged financial intrigues in Europe, let this country in for a run on gold which eventually drove us off the gold standard. This " catastrophe "—as it was called before it happened—started a little boom in our export trade, due to the fact that foreign importers could buy more British goods with their currencies than before. This was like blood to the tiger. Every business man in the country whose products are exportable is now rampaging to expand the little boom into a large boom; and there is plain evidence that their ungoverned enthusiasm has infected a majority of the Nationalist Government's supporters in the House, and to such an extent that there is a real danger of a smashing revolt against the present Cabinet. There is, so to speak, a Protectionist run on the Bank of England—not to draw out money, but (although unwittingly) to usurp power over financial policy, which the Protectionists, if they succeed, are almost bound to use in a manner that will precipitate an international tariff-war, into which any belligerent may at any moment introduce armed force and start the Second World War. Can the reasonable persuasions of the City arrest this stampede? It seems that they have come too late. The bankers look like falling into the pit they dug for others. If, during the last few months, they had been frank and reasonable in their arguments, and had encouraged the Press to be the same, they would have got the balanced Legislature they required—one in which the High-Protectionists would have been a minority in the House. Instead of which they inculcated false fears, and now are faced with the task of correcting false hopes if they can. But how, by reason, can they counteract the momentum of unreason which they have helped to develop? It is true that they have the power to frustrate a Protectionist Government by financial means, but, as we remarked recently, public knowledge of the fact and nature of this power is growing day by day, and their attempt to use it against a powerful majority Government would probably open up more issues than it settled.

* * *

For once we can hope they may succeed in their immediate object. Every supporter of Social Credit must desire to see war staved off, even though he perceives that the threat of war is a powerful stimulus to getting people to face economic realities. And to that end we must point out that by this time it is futile to attempt to arrest a dangerous fiscal policy merely by proving that it is not a way out of the economic muddle. Some other way out has got to be shown. And certain it is that nobody is going to look at a way out that is a way back to where he has come from. The Protectionist agitation reflects, as we say, an instinctive move on the part of British Capitalism to take the law into its own hands—to seek its own good first. The answer is not to deny its right to do so, or to argue that it will not find it in excluding imports. The answer is to show it where its own good lies. And that is in a British market directly financed by British credit, and made capable of absorbing the whole output of British producers—*or the equivalent of the whole output*—as and when they can put it on the market. The Social Credit Proposals ensure that in whatever quantity a national industrial system is physically able to satisfy physical needs, the collective financial demand by home consumers will be equal to the collective price of the whole quantity—and so continuously.

* * *

The italicised words above are emphasised for an important reason. This is that since in most countries the output of certain kinds of things exceeds the need of the population for those kinds of things (" *need* " meaning the human capacity for consuming or enjoying them as distinct from the ability to buy them) there will be what may be called natural surpluses—the overspill of collective satiety. Now it would be silly to insist on the home populations' buying those surpluses as a condition of having their collective incomes equal to the total output; all the same, they must *be made able to* buy them—they must possess the monetary equivalent (or the call on it) of the total price of the surplus. Establish that (which is what Social-Credit financing does) and the major international trading problems will settle themselves. All goods afloat on the seas will be going somewhere " on consumers' account "; and as the *ultimate* object of a consumer is to get goods and services, not money, every bill of lading attached to a consignment will be something like what the bankers call a " cheque in course of collection," but a " cheque " in terms of goods collectable in terms of other goods. And not always and necessarily collectable in terms of equivalent " value ", for when the population of each country can buy the whole internal output, international exchanges of the unbought surpluses can be conducted on the same principle as if the consumers in each country of origin had, as a matter of fact, bought them and were personally disposing of them. It stands to reason that if anybody possesses property superfluous to his need, and with no debt-charge resting on it, he can exchange it, or give it away, without bothering to remember what it cost. When the late Mr. Solly Joel used to hand over cigars to Mr. J. H. Thomas at boxing tournaments, the cost of the cigars did not enter into the transaction at all. And so internationally, when the Social Credit system has been in force long enough, America, Britain, France or Germany could pay similar compliments in terms of shiploads of goods to smaller countries. The whole of the present trouble in international trade arises from the fact that no population has enough money to pay for the national output, and that the producers have to find some foreign market, or else go out of business.

* * *

The writer of the City Notes referred to implies that because Britain is off the gold standard she is unable to export more than she imports. Whether this inability is an automatic consequence of her coming off gold, or whether it is a penalty imposed by international finance, he does not make clear. Whichever it is, does not matter here. The point is the consequence. If our exports and imports only balance, then we cannot reduce our indebtedness abroad. It is true that the world owes us more money than we owe the world, but just as the process described by the writer operates when we lend money—namely, by the borrowing country buying goods in this country, so it operates the other way when money is repaid—namely, by the borrowing country selling goods in this country. It is common knowledge that we are owed on war account as much as we owe America, but we cannot repay our debt by collecting repayment from our debtors, otherwise America would have had no reason to resist so strongly the idea that she should miss us out and deal directly with our debtors, whose debts we should in that case have assigned to her. The real reason why debts are kept alive is that the creditor nation retains the privilege of being able, contingently, to compel the debtor to borrow from it! For instance, if on a due date Germany is liable under contract to remit us £1,000 (which, mark, must be in the form of sterling credits—either deposits in British banks or sound claims on British traders) and has been unable to export goods to Britain and thus get command of the £1,000, then —omitting payment in gold—Germany's only course would be to borrow the means of payment from Britain. And the Bank of England would extend the loan rather than have Germany openly default.

* * *

A correspondent recently asked why, if credit can be created for nothing, Britain and other debtor countries cannot pay off their debts with manufactured money. The answer is contained in *The Times's* City Notes. (And it is also contained in the leaflet " Great Britain's Debt to America " obtainable from the Credit Research Library.) Britain can only pay off the American debt in American I.O.U.s. We received no dollars from America during the war: we received goods valued in dollars; and we gave our I.O.U. for that value, payable in dollars. To repay we must reverse the process and sell America goods valued in pounds, so as to get American I.O.U.s payable in pounds. When we have done that, the process of " repayment " consists in the mutual cancellation of the respective batches of I.O.U.'s. No money passes. Before we came off the gold standard, supposing that the Bank of England had printed sterling currency to wipe out the debt and sent it to the Federal Reserve Board, the Board could have sent it back to London and demanded gold for it at its fixed price. To-day (and since September 21) the Bank of England is not obliged to sell gold at any price—hence Bank of England currency would not be accepted in New York as valid repayment of debt.

The snag in the international debt-problem is precisely the resistance of manufacturing interests to the operation of the only effective mode of repayment—namely, what they would call " dumping." While the banker insists on the sanctity of debt the capitalist insists on the profanity of repayment. The reason of the latter is quite clear. Whatever the value of goods imported into his market an equivalent sum of money is made inaccessible to him. The home importer pays the money to the bank, and it disappears from circulation. The banker is only the capitalist's friend when the banker is financing a loan. For then he creates credit and buys goods from the capitalist to lend abroad. Thus the capitalist and his employees get extra profits and wages out of the deal. Reverse the process, and they lose profits and wages. This would be unpleasant enough even if the new credit remained in circulation until the repayment came. But it does not. As soon as the banker gets the foreign I.O.U. for the goods he hastens to sell it to investors in the form of bonds. He then destroys the proceeds in the process of cancelling the credit. What happens in the end can be stated thus: that capitalists (as investors) are left to hold a debt which can only be paid at their own expense as manufacturers. It sounds very pleasant to be told that " we " have £4,000,000,000 invested abroad, but if, say, one half of it were effectually repaid at any given time it would be sufficient to denude this country of the whole of its currency and deposits and bring all economic activity to a standstill.

* * *

It is on this calculation that *The Times* is using the prospect of renewed lending abroad as a carrot to lead the Protectionists away from tariffs towards a return to the gold standard, or at least some sort of standard which the bankers are now cudgelling their wits to devise. Their attempt will doubtless be facilitated by the fact that already the United States and France have clapped on extra tariffs to block the British Protectionists' game. But, as we said before, the impetuosity of the Protectionist drive for instant alleviation may be too strong for even stark facts to arrest. A bird in the hand is worth two in the bush—and it is quite likely that the immediate prospect of better fishing in the home market may outweigh the ultimate prospect of worse fishing in foreign markets. The instinct of the Protectionist to make his living at home is in itself a right one, just as the bankers' doctrine that we must look abroad for prosperity is a wrong one. But until the principle of consumer-credit is adopted, there is nothing for anybody in either of them. Under the existing system everything you do sets up forces which ultimately compel you to do the opposite. That is why the careful economist always speaks of " tendencies "—never of results.

Notice.

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

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20, Rectory Road,
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* * *

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.

"Money and Prices."*

I have not yet had time to do more than glance over the greater part of "Money and Prices," by Mr. Augustus Baker, and I may say at once that I intend to repair that error at an early date, I am confident that I shall be repaid. As the author is kind enough to devote the last chapter to a criticism of my views (perhaps the most able criticism in book form so far published) it may be of general interest if I reply to him.

He says on page 206, "The truth about this price ratio is that it correctly states the just price of consumable goods as a whole compared with the costs of all production, but is not a method of ascertaining the price of a particular article. This, however, is the purpose for which Major Douglas uses it, and therein lies his fundamental fallacy."

I think probably an examination of this sentence will suggest a reply to it, but the matter may be put in another way. Imagine every commercial undertaking to make up its accounts on December 31. To enable it to pay a dividend, the whole of its disbursements must in some or other form have been recovered during the previous year plus an amount "x" for profit. (Profit is not a disbursement and forms a separate subject for discussion which may for the moment be eliminated.)

Since this is true of any one organisation, it is true of all organisations at the same time, and therefore it is true to say that the whole of the disbursements in industry must be recovered at the same or a greater rate than they are made, in order that industry may continue to exist or on the whole make a profit. On the assumption, the validity of which is generally granted, that all purchasing power starts by the creation of a bank credit and that it is destroyed by the repayment of that bank credit, it is obvious that the money starting out from the bank is a measure of the cost of all production, and if the whole of this money returns to the bank it has all been recovered by consumption. But *ex hypothesi*, consumption is less than production, therefore the money should not return to the bank at the same rate as issued, nor to the producer, who is a link in both the issuing and retiring of purchasing power. Under this latter condition, however, industry would be bound to fail, since it would make a loss on the year's work, having issued more money than it retired.

Now the greater part of the unconsumed production is capital production, and we have to find a method of restoring his money to the producer of *capital* goods as soon as they are produced, while only charging the consumer for them *at the rate they are used up*. The justification for this is, of course, that real credit is a measure of the *rate of production*. So that if total production = (B) capital goods + (A) consumption goods, production, and costs, are A + B, but consumption costs are $A + \frac{B}{X}$ where X is the average life of real assets, and we have to pay the producer $B - \frac{B}{X}$ representing the unconsumed value of the capital goods, to enable him to carry on his business. But if he recovered the whole of his costs *eventually* from the public, he would have recovered his costs twice over, therefore it is necessary to reduce the price to the public by the same amount $B - \frac{B}{X}$ that we repay the producer of capital goods, that is to say, retail prices must bear the same ratio to total costs that consumption does to production.

C. H. DOUGLAS.

*By Augustus Baker (Messrs. Dent and Co.).

Music.

An announced recital (broadcast) by Miss Maggie Teyte recently aroused the liveliest and most pleasurable of anticipations among those who know and appreciate the delicacy and fineness of Miss Teyte's exquisite art, but to hear this fritted away on rubbish—in response, presumably, to the exigencies of a "popular" programme—like the Indian Love Lyrics of one, Amy Woodford Finden, was most distressing. And when there are habitually "singers" (one shrinks with a readily comprehensible pudicity from this misuse of the word in connection with people to whom it is applied) available, well known, and most notoriously to the discriminating, who habitually attempt fine music, but who would be perfectly suited by this trash, which is about the limit of their technical intellectual and musical attainments, to fritter away an artist of Miss Teyte's rank on it, is like getting Patri to play "The Maiden's Prayer," or Mrs. Patrick Campbell to recite Ella Wheeler Wilcox. But the ways of the B.B.C. are past explaining, and sometimes past excusing—how, for example, explain or extenuate the habitual relegation of an artist of Patri's magnitude to studio programmes, while Mr. Harold Samuel is placed in one of their big Symphony Concerts at Queen's Hall trying conclusions with a work like the second Brahms piano Concerto which is beyond his reach?

Helen Milva.

Some years ago I had occasion to draw attention to the remarkable work of Helen Milva in voice training, and I recently had a further opportunity of confirming my high opinion of her remarkable work in this field. In fact, I do not hesitate to describe her as a teacher of genius. Particularly interesting the occasion was because I heard for the first time in years a lady who was just beginning work with Miss Milva, when I first heard her, and from a remarkable refractoriness and poverty of vocal material this brilliant teacher has produced an excellent and very accomplished singer. A young baritone also is already from Miss Milva's hand's an admirable artist, not merely the equal, but superior of many with prominent concert platform reputations. I was especially struck with this young singer's (John Laurie) admirable and interesting interpretation of a couple of German Lieder, *Der Schmied*, and *Die Krähe*, showing complete insight into and understanding of the Lied *genre*—a thing he owes to Miss Milva's guidance, whose authority on the interpretation and study of Lieder is unquestionable. As before when I spoke of this remarkable teacher's work I noticed that not one of her pupils could be accused of producing a bad, forced, pinched, white, or badly placed tone, even those who have only been studying a very short time. There is a freedom, a transparent ringing, clarity and poise, and an excellence of support and *cantilena* that are in these times of the rarest, and still rarer are the professors who have the ability to produce these essentials of fine singing. Joanna Goff, who is well known to listeners-in for her violin *obbligati* to her own singing, is a pupil of Miss Milva's, and also sang on this occasion, and she is another striking testimony to the admirable training of her teacher.

Schönberg: Friday, November 13.

This, the first of the Contemporary Music Broadcasts this season, aroused in one a good many mixed feelings and doubts. It becomes even clearer as time goes on that Schönberg is less nowadays a musician than a pedant of great ingenuity and skill, and in the light of a prolonged and intensive study of the work of Mahler, his early *Verklärte Nacht*, takes on the aspect of the production of a dutiful disciple and epigenus of that great Master, but little else. The new set of Variations for Orchestra, *Opus* 31, strike one at a first hearing as an attempt to retreat from the desiccated crabbed style of some of the more recent works into something with more lyrical flexibility, but what struck one most was the singular colourlessness, lifelessness, and lack of any real character in the music, in fact, the total effect was one definitely of commonplace, commonplace tortured and twisted in an endeavour to make it appear something other than the commonplace it is—the trick of people of the Meredith, Hardy, and Schnabel types, the essential spiritual *conventionality* of the thing, the complete lack of distinction or individuality in the sheer musical essence—in such utter contrast to the work, for instance, of men like Sibelius or Busoni—came upon one with rather a shock, and over all was a stale, second-hand sort of feeling that is the certain indication of "dating"—the result of monomaniacal concentration on the manner to the virtual or total exclusion of the matter of what is said—the kind of crazy obsession that brings it about that, as it is said by one who knows him, Szymanowsky cannot endure the sound of the chord of the ninth because of its ordinariness, which is about as rational as declaring you cannot endure the sound of the word "and" because it is so common!

KAIKHOSRU SORABJI.

The Films.

The Star Witness: Regal.

This film, which has been received in American legal circles as an authentic representation of the real beastliness of the gangster, is an interesting social document, but I have seen a number of more thrilling and interesting crook pictures. Somehow, the director has not quite brought it off. This is in part due to a seeming lack of sincerity and in part to the fact that Charles (Chic) Sale, the young actor who is chiefly known for a humorous pamphlet on watercloset, is allowed to provide far too much comic relief. Mr. Sale's impersonation of an octogenarian ex-soldier is real virtuosity, but his performance belongs to farce or the music-hall stage, and is out of keeping with the theme of this film, which should be played quickly and without irrelevancies. Too much is also made of three small boys, whose accents are, however, far less displeasing than the dreadful voices of most American juvenile actors. Walter Huston is excellent, as usual. "The Star Witness" is about a year or two too late to make us grip the sides of our seats; it is good enough, but Hollywood has given us so much that is better of its kind.

Expensive Women: Regal.

Some films are so bad that they succeed in achieving a species of excellence. "Expensive Women" belongs to this category. Here is yet another version of the eroticism of America's young and idle rich, with an almost incredibly unreal ending. Much of the action and dialogue is as slow as in an English film, and all the dialogue is banal, although the producers apparently imagine it to be "smart." At least, that is what they call it, adding that the picture also has a "convincing story." The smartness of the dialogue can be judged by a few samples; one of the characters actually uses the phrase "in our set," and the heroine, after returning on the rebound to her first lover, a musician, assures him that "I'll make a swell genius of you." Incidentally, the picture-going public is for the nine-hundred-and-ninetieth time shown a musician whose work, as judged by the samples that he plays, is of the greatest banality, while the heroine, also for the nine-hundred-and-ninetieth time, rolls her eyes to Heaven and is overwhelmed by the exquisite beauty of the melody directly she has heard the first half-dozen notes. The other young man in this production is introduced to the audience as having just returned to the United States after taking a "special course at Oxford," whatever that may be. Dolores Costello is not so bad as she was in "Noah's Ark," H. B. Warner would have been better if he had not been so stilted, and I am still wondering on what principle the title of the film was selected.

Waterloo Bridge: Capitol.

An actress out of a job who has been compelled to take to the streets meets a young soldier on leave during an air raid in which they take cover together. She invites him to her room, whether or not for professional purposes is not quite clear, but when he, without a suspicion of her calling, offers her money to meet pressing necessities and to buy a three-guinea pink frock that she has described with apparent gold-digger technique, she refuses. She is "not that sort of girl," and she has obviously fallen as much in love with him as he with her. He returns next morning with the pink frock, takes her to visit his family in the country, proposes marriage, and is refused. He proposes again and is accepted, but she runs away. He finds her on Waterloo Bridge as he is hurrying to catch the leave-men's train, departs with the assurance that she will marry him on his return, and a minute later she is killed by a fragment of a Zeppelin bomb. That is the bald outline of the film adapted by Benn Levy from Robert Sherwood's play. Here are the ingredients for melodrama, for sob-stuff, or for yet another study of the romantic whore in the tradition of "La Dame aux Camélias." Fortunately, "Waterloo Bridge" is none of these, but an admirably acted and directed picture that deals with real human people and genuine emotions. Although the ultimate tragedy comes as a surprise, there is a note of haunting fate from the beginning, and the ending is as poignant as it is sincere.

I cordially recommend this picture, although the professional highbrow will probably sneer at it. Mae Clarke is superb, Kent Douglass, as the soldier-lover, gives a charming, natural, and highly-finished performance, and Frederick Kerr contributes another of his fruity little character studies, this time as a deaf and garrulous R.A.M.C. major. The war-time atmosphere of London has, on the whole, been well suggested, largely by means of the effective use of the Dunning process, which enables a London background to be grafted on to a picture taken in Hollywood without any indication of faking. The American accent of the heroine and hero is explained by their being an American and a Canadian respectively, but it was a production blemish also to give American accents to the "Chu-Chin-Chow" chorus at His Majesty's. This is, however, not so serious a blemish as the indoor photography, which is so flat as to be reminiscent of the films of half-a-dozen years ago. James Whale directed, and made a much better job than was possible with that dreadful picture "Journey's End."

This Week's Films.

In addition to the pictures mentioned above, "The Smiling Lieutenant," with Maurice Chevalier, is at the Stoll and Tussaud's, the latter also showing "Avalanche," the German picture that is on the lines of "The White Hell of Pitz Palu," but not so good. The Academy is giving Tziga Vertov's "Man With the Movie Camera," which I recommend, and "The Hunchback of Notre Dame," with the late Lon Chaney. "Men Like These" and "The Perfect Lady" continue at the Pavilion.

DAVID OCKHAM.

Current Sociology.

The presentation to Parliament of the Statute of Westminster is a fit occasion for mention of the imperial responsibility of Great Britain, and the stability or otherwise of the British Empire. At first examination the Bill moved by Mr. J. H. Thomas, Secretary of State for the Dominions, in the House of Commons on Friday, appears to be a natural step in the evolution of the British Commonwealth of Nations. The effect of the proposed Statute is to relax still more Great Britain's political control over the Dominions, and to rest the cohesion of the Empire in still greater degree than hitherto on the voluntary co-operation of the constituent nations. That relaxation of control is a necessary step, which would have had to be taken by this Parliament or another. In the end the British Empire must cease to exist altogether; and all international co-operation will have to depend on serving the economic interests and cultural aspirations of the national groups which take part in it. It is better that the destruction of the British Empire should, if possible, come about peacefully in the family conference way, one child after another obtaining personal independence, without the previous destruction of personal good-will. Nations cannot finally be bound together imperially, either paternally or even maternally, as the sentimental phrase "the Mother Country" pretends as the British Empire. The final bond can be only fellowship arising from common purpose.

* * *

The justification of the Statute given by Mr. Thomas to the House of Commons was, of course, quite dissimilar to what appears above. In its existing form the Bill should not have been introduced at all, and should certainly not have been introduced by Mr. Thomas, who personally represents only those qualities antithetical to true fellowship. "Bluff Jim Thomas" is a character to the creation of which much actor's art has been devoted, and the most certain way to the rapid disruption of the British Empire is surely to put that particular actor on the job of knitting it together. There is evidence that the countries which form the British Empire are not to be deluded into support of the National Government by the means which deluded the voters at home, Mr. Thomas's speech, although it did not read like his composition, contained enough of cant to make the whole Empire, from India to Canada and Australia, vomit.

> "British character, the desire to manage our own affairs in our own way, does not differ us according to the sky above us or the soil we tread. Love of liberty for ourselves and others is born in us, and has been carried by our kith and kin across the seas."

Mr. Thomas's speech was packed with the most startling scholarship, entirely out of keeping with Mr. Thomas's personality; a recondite quotation from Lord Durham's Canadian report of a hundred years ago; another from a speech made by Sir John MacDonald in Canada in 1865; and other testimonies to the depth and breadth of historical knowledge accumulated by the Secretary of State for the Dominions. But none of the hard-working experts who composed his speech, who cut some of the sentiment out of his perorations, told him how much, say, the penal settlement conditioned England's love of liberty and colonisation. Alas, with his horn lifted on high, and speaking with a stiff neck, Mr. Thomas, ex-trade union leader, has forgotten the Tolpuddle labourers. He has forgotten that respect for the liberties of others was inculcated into the hearts of the English by the loss of the United States of America in a miserable little commercial war. And he has never learned, and never will until it is popular, that the bonds between nations in the future will not be of blood or politics, but of leadership in culture, and the sociological technique which must precede the re-birth of culture.

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By dependence on the old ties Mr. Thomas and the National Government to which he belongs are breaking up not only the British Empire, but every international link in the world. That is to say, as might have been expected, the present overemphasis on the phrase "the interdependence of nations" is the consequence of world-wide international distrust. The underlying meaning of the phrase is that every nation of prestige is too much afraid of the others to venture on the internal solution of its economic problem; and each waits for one of the others to take the lead, ready, if the chorus should go that way, to join in the shouting down. Mr. Thomas and the National Government are a serious danger to Britain's prestige and world significance, since all the congratulations given on the occasion of the last election emerge either from bankers, who at least know that their dominion is anti-social, or persons devoid of moral courage, who say what they imagine is expected of them. Nations, as such, are at present in the grip of the corresponding bankers' groups and the international network of those bankers' groups. Mr. Thomas's love of liberty is expressed by and on behalf of the Government which was stalemated by bankers, destroyed by bankers, and reformed by bankers to the heart's desire of bankers. Such courage and sanity as are still expressed are the outpouring of individual persons standing for the community of all people in all countries which can arise only by the application in individual countries of truly sane financial methods. The relaxation of political control over the British Empire by the paternal Great Britain is necessary for the simple reason that, in the imperial, as in the domestic, family, the modern child will not put up with the ancient father.

* * *

That the British Empire could not be held together merely by military force and political control was demonstrated by the American War of Independence. The British Empire has held together so long—actually a very short period—by all kinds of things other than the love of liberty. Great Britain has been the centre of some sort of economic drive and of culture. From the Elizabethan poets to the Irish dramatists, from the defeat of Spain to the economic imperial development of the nineteenth century and the Cockney soldier, Great Britain performed deeds on which prestige could be established. In all these matters it exercised a function and a leadership. Wherever its pioneers, battleships, and Bibles went, cant notwithstanding, Great Britain, Irish and Scots especially, created order, development, wealth, and homes. The ice-locked insularity of the population of England effected an almost acceptable apology for itself by the drive it gave to world-development. All that is past, and no prestige can endure merely on reputation; Great Britain is shrinking into herself, because of her lack of courage and the failure of the love of liberty which showed signs of growing. In face of another occasion for a mighty social decision, that of advancing financial technique to adapt it to the industrial technique, Great Britain, or, rather, England, has shrunk from leadership, to whine miserably in the corner about the "interdependence of nations."

* * *

It is in the light of England's attitude to this question alone that the permanence, worth while or not, of the British Empire can even be considered. In industrial organisation, in the evolution of political forms, in imperial organisation, Great Britain, far from perfect, was nevertheless a leader. Great Britain realised that at least the qualities of friendship once required to domesticate the dog were needed for the creation of a voluntarily cohering Empire. She has learned no more. South Africa was held to Great Britain by these qualities, and the subsequent realisation that London furnished a source of development and a market. Australia has been held by the same methods, although both countries have chafed because of England's failure in leadership. The dispatch of Niemeyer to compel Australia, at the instance of the bankers' network of world-government, to maintain the gold exchange standard was a corrosive act against any bonds of commonweal; and Great Britani appeared ridiculous to all thinking Australians when she herself gave up the gold standard very soon afterwards. At this time of world-wide "over-production," Great Britain as a nation has no leadership to give except backwards; decrees that her own people, as well as her imperial children, shall consume less.

* * *

Intra-imperial indebtedness is the most insecure bond of Empire possible, for the reason that such a bond, however strong superficially, is the cause of strains in excess of its binding power. One is bound to one's creditors only by over-riding force, not by fellowship or common purpose; and the over-riding force, individually, imperially, and internationally, is the bankers' cosmopolitan convention. It is scarcely too much to assert that the only conscious binding force in the British Empire is the co-operation of the individuals who recognise the necessity for advancing financial technique to distribute wealth to consumers. They are the foundation of a future fellowship and common-purpose. The rest are only of binding power inasmuch as their conservative habit is the little, and fast disappearing, remnant of the drive of past forces. The nationalists and local autonomists of all the constituents of the British Empire are of one fraternity, capable of future co-operation, precisely to the degree to which they are Social Creditors, a truth which applies from Scotland and Ireland to Australia. None of these is moved by the phrase "interdependence of nations," whereas all believe in leadership, originality, and independent co-operation. The local autonomy, the individual autonomy, possible on a Social Credit basis, would definitely bring into being new conceptions of world-leadership and voluntary commonwealths. The conscious minds of the world, in New York as in Johannesburg, look to Great Britain to make some use of her existing prestige, and to renew it, by leadership in financial technique, and the solution of the combined "over-production" and "under-consumption" problem. Either Westminster achieves that, or the Empire is fit only for its chapter in past history.

* * *

Lieut.-Commander Kenworthy is among those who have shown appreciation of the cause of the breakdown of trade. In the House he has revealed an insight into Bankers' Government, and its cost in the defeat of true social development. It is disappointing, therefore, to find him, now that he has leisure for thought, prophesying a recovery of world-trade from the monetisation of silver. He does, of course, prophesy farther ahead. Some day, he says,

> "we shall have a managed currency for international trading purposes, and for domestic use as well; and it will not be based on precious metal at all."

But he gives all the rest of his space in his *Reynold's News* article to the release of Asia's hoards of silver, and its revivifying effect. Silver has better uses than for coin; and it can serve no ultimate purpose to exhaust its utility by partly balancing existing international debts, with the consequence of its inevitable drain to France and the United States if it is universally acceptable. Why prolong a system which has been condemned when the better system is possible? After silver, platinum; after that anything one likes; but whatever it may be, if the present international situation is not deliberately adjusted, the vaults of Paris and New York must be the final dump. The question is not one of currency; barter could overcome the exchange problem, and cut the bankers out of circuit at the same time. Poland and Jugo-Slavia have just arranged to swop £200,000 worth of manufactured iron for tobacco, a much healthier way of overcoming the difficulties of exchange than would be provided by the monetisation of silver. But only consumer-credit can solve the only problem which really matters, and advocacy of less is opposition to the solution.

PAUL BANKS.

Loosening the Squeeze.

If the public cannot prevent the imposition of economics they will be driven towards lessening their impact. Here are a few lines of action which may develop out of the situation.

1. Ratepayers to cut their own rates—i.e., telling the Council the amount they can pay.
2. Trade Unionists' flight from the T.U. political fund.
3. Advertisers to take a holiday, or concentrate on selected newspapers, or reduced appropriations.
4. Insured people to get their annual premiums reduced by the insurance companies.
5. An attempt to get a cash distribution of all insurance bonuses announced since the war.
6. Concentration of consumer-buying on selected shops in consideration of a discount. (This along the lines discussed sometimes in this journal).

It should be further noted that insurance companies are not obliged to loan money on policies; and they seem to have the power to fix the surrender value at any figure they like. Insured people who are finding present premiums a strain should write and find out where they stand.

Lastly: there has been no word for some time about any Conversion Loan. This matter should be looked into, seeing that sacrifices have already begun among taxes and consumers. There is justification for refusing to pay higher taxes until Loan-holders are receiving lower interest.

It does not matter that these ideas appear impracticable. It is still worth while spreading them about. One never knows what the mood of the public may be, even in a month's time, now that the raids on their last resources have begun.

A. B.

KIBBO KIFT LECTURE.

Mr. P. T. Kenway gave an excellent address at the Kingsway Hall last Wednesday under the auspices of the Kibbo Kift, of which body he is a member. The address was on the development of production capacity, and was illustrated by film-slides prepared from pictures of primitive and modern methods of production, which he himself had selected and assembled. The sequence of pictures was coherent and convincing, and the lecturer's comments were brief and to the point. The film-roll, comprising some seventy odd pictures, can be bought, we understand, for about 6s., and particulars of the projector can be obtained on application to the Kibbo Kift.

Mr. Hargrave, the Head Man, and Mr. Webb gave short accounts of the objective and activities of the Kibbo Kift.

Mr. Brenton, who presided, congratulated Mr. Kenway on having done a useful piece of work, and hoped that the lecture would be repeated both by himself and by other speakers who might obtain and use the film-roll for the purpose of illustration.

The lecture was listened to by a large company consisting of members of the Kibbo Kift and other supporters of Social Credit.

NOTICE OF MEETING.

DOUGLAS CREDIT ASSOCIATION: Glasgow Movement. Christian Institute, Bothwell Street, Glasgow, on Tuesday, December 1, at 7.45 p.m. Public meeting. Speaker: W. Finlay (D.C.A.). Subject: "Bad Trade: Its Cause and Cure." Questions. Collection.

News Notes.

RIFLE BOLTS WANTED.—An anonymous correspondent reports that rifle bolts are being collected from territorials in the North for delivery to local Headquarters. He could not ascertain the reason beyond the statement: "Orders from H.Q."

GETTING READY FOR TROUBLE.—A reader who is a member of the Regular Army Reserve, writes on November 17 that "a few days ago" he received notice that in the event of the whole Reserve being called up, he is to report himself immediately at the Headquarters of a certain Command, and take up a certain appointment. The notice arrived by registered post, and was accompanied by a first-class railway warrant. (We have burnt his letter.)

SOCIAL CREDIT IN THE PRISONS.—Here is an election story from up North. A worker, discovered by a correspondent, disclosed himself as an ex-Communist follower of Social Credit. He said that on one occasion a Communist friend of his was imprisoned for a political offence. "I visited him regularly," he proceeded, "and, as the prison authorities strictly forbade the taking into the prison of any Communist literature, I used to take him THE NEW AGE instead. My friend got on good terms with his warder, and always passed the journal on to him to read. The warder became so impressed with the Social-Credit idea that he decided to subscribe himself. . ." We have heard of cases where imprisoned Communists have attempted (at times with success) to implant Communistic ideas in prison officials; and believe that such activities are deliberately encouraged by the Communist leaders. The prison authorities, of course, know all about this; and that is why the veto on Communist literature exists. It is encouraging to know that THE NEW AGE enjoys the privilege of free entry; and we are, in fact, rather in doubt whether our telling of this story will not have a sinister sequel. However, we have chanced it, in the hope that the Governors of the prisons who have previously passed THE NEW AGE as harmless, will not now let their judgment be over-ridden by personages who consider it harmful. Social-Credit literature, indeed, ought to have a place in every prison library; and we suggest to any readers who are able to make the right contacts that they might inform themselves of the rules governing the admission or otherwise of literature for prisoners (i.e., First or Second Division). On the morning of the day on which we write, there appears in the *News-Chronicle* a report in which Mr. Justice Roche, deferring sentence on a youth convicted of persistent larceny, told the father that what his boy required was more healthy bodily exercise and recreation—that music and chapel-going were good things, but should not be followed to the neglect of other good things. (Presumably this had reference to the father's account of his son's home training.) Somewhat similarly, in the case of earnest young men convicted of persistent infractions of the law from political motives, it might be urged that, since it would generally be hopeless to attempt to wean them from their engrossment in economics and politics, the next best thing to do would be to introduce a healthy element into their habit of thinking—to feed them with the *sort* of reading-matter they craved for, but a *wider* and *better-balanced* sort. To deny a sincere Communist not only his own literature but all other literature bearing on his chosen subject of research, is to confirm him in his belief in the all-sufficiency of Communism. But in selecting the sort of literature to substitute, it is useless to offer him anything which does not face up to the facts he knows, and argue on them with the same cogency as that which he meets with in the best writings of his accustomed leaders. The alternative literature must command his intellectual respect. We can claim that Social Credit fulfils this requirement; and that it can deflect his interpretation of admitted "Capitalistic" anomalies and inhumanities without impairing his hope for, or frustrating his efforts towards, a drastic reconstruction of this country's economic system which shall achieve the end which, if he be sincere, he has at heart—the diffusion of prosperity among the least fortunate classes of the community.

COMPANY LAW AND ACCOUNTS.—Messrs. Jordan and Sons have recently issued the ninth edition of Mr. Herbert W. Jordan's book, *Converting a Business Into a Private Company* (50 pp. Price 1s. 6d. net), and a new book by Kenneth and Michael Moore, Chartered Accountants, entitled *Company Accounts and Balance Sheets: A Practical Guide for Business Men* (123 pp. + appendix and index. Price 5s. net). The former book gives reasons why it is often of advantage for a person who owns quite a safe and lucrative business to turn it into a private Limited Liability Company. It then describes the steps to be taken to carry out the conversion. A table of fees, covering "Duty on Statement of Capital" and "Stamp on Memorandum of Association," is given. The combined fees range from £5 on a nominal share capital of £100 to £5,302 on one of £525,000. The characteristic feature of this kind of company is that it may not appeal for public subscription, although the proprietor of the business to be converted may invite friends to put money in. Ways are shown in which he, although, after the conversion, is a "*separate entity*," from his business, may still retain control of it. The book is simply written and will afford useful knowledge to students as well as business men. . . The second book has obviously been inspired by the Kylsant case, to which the authors refer in the text. They devote special attention, in Chapter V., to "Reserves—Capitalisation of Reserves—Effect of Creation of Reserves—Inner Reserves—Disclosure of Reserves in Public Accounts." Chapter IX. discusses the "Advantages and Basic Principles of Cost Accounts." An Appendix reproduces important Sections of The Companies' Act, 1929, dealing with accounts. Speaking of "Inner" (or secret) reserves, the authors say (p. 78) these may consist of "actual reserves appearing in the Private Ledger of the Company," but which, in the published accounts are "included under an omnibus heading such as 'Sundry Creditors and Credit Balances'—the item representing in fact the real liabilities plus the inner reserves." The inner reserves may also exist "by reason of Assets, or some of them, having been written down" below their true or current value. "Banks, for example, habitually write large sums off Bank Premises Account—not because their properties depreciate in value (probably the reverse is the case), but as a matter of policy." "Similarly investments in quoted securities are usually written down in times of depression to the market prices then ruling, but *are not written up when prices rise again*." (Our italics.) Readers of this journal will appreciate how, by this means, ordinary shareholders can be stripped of their investments (or a large proportion of them) during times of depression, without a chance of getting anything back if and when a revival comes along, or even of knowing whether and to what extent their companies have expanded their earnings. The authors omit to mention that investments may be written down—especially by banks—irrespective of changes in market value or general business conditions, but as a matter of policy. And, of course, it lies outside the scope of their survey to notice what we may call the "inmost reserves" of the banking system—the prematurely repaid loan-credits of which no record exists in any ledger, public or private. This book will be most useful to students of Major Douglas's Theorem, for, with their special knowledge, they will have no difficulty in seeing the wider implications of the authors' excellent analysis of modern accounting principles and practice.

"BACK TO THE HAND."—Mr. Henry Ford is harvesting crops on his 5,000-acre farm with man power. Between 500 and 700 men are employed at $5 a day to do the work 150 men and machines could accomplish. (The *Evening Bulletin*, Providence, November 4.) This recalls our story of the little child and the pins last week. It can be retold thus. Q.: "What is the use of machines?" A.: "To provide work." Q.: "How?" A.: "By not using them"!

ALLEGATIONS AGAINST BANKS.—The examination in bankruptcy of Sir Arthur Wheeler (of the M.I.G. Trust) is reported in the *Liverpool Echo* of November 16. He was brought from prison for the purpose. He said that the banks depreciated the shares which they held as security for his loans, declaring that "a £1 share was called 10s. just to amuse the banks." He stated that he had flatly refused to allow an examination of his books after an interview with the Treasury and the Bank of England. "They had no right to ask for it. It

was an impertinence to send for me. . . I consulted two of the most eminent men in the City of London after I left the Bank of England, and they both told me to laugh at them and get back to my work." He further stated that he only filed his petition when Barclays and Lloyds Banks closed the account without warning. We did not pay attention to the merits of the original proceedings which ended in Sir Arthur Wheeler's imprisonment, so cannot say anything on that aspect of the case. But the statements here quoted, though *ex parte*, and made on the authority of a convicted man, are consistent with the truth. The last statement particularly is worth recording; for the fact that banks may legally refuse to handle accounts is as significant as the fact that they may legally refuse overdrafts and retire them at will. In the present highly-developed credit-economy, any undertaking of more than very modest dimensions cannot exist without banking facilities.

RATIONALISING MISSION WORK.—A leaflet distributed by the London Missionary Society says: "In April last the Board of Directors of the L.M.S. faced an accumulated deficiency of £69,802 (the deficiency in the year's accounts was £21,421) *were informed definitely* that either the income of the Society must be largely increased or the work reduced." (Our italics.) Who the anonymous informant was needs no guessing. Salaries and grants for home and foreign mission work are being cut down, and the Churches are urged to take action "to prevent the bringing home of missionaries and the cessation of their work for God." We pointed out a long time ago that as the control by Finance of the Press and Wireless became more consolidated and centralised, so its need for the services of the Church became less. Finance wants to preach men's collective responsibility to Caesar; and it is able to do that through secular agencies. That being so, it has no interest in the preaching of man's personal responsibility to God. We are being shown, in this episode, the writing off of God's claims on men in order to secure those of Mammon.

THE STATUTE OF WESTMINSTER.—This Bill had its second reading in the Commons on November 20, on which date *The Times* published a leading article on it. The Bill formally recognises "Equality of Status" between the Dominions on the one hand and Great Britain on the other—the theoretical supremacy of Parliament being abrogated. *The Times* comments that the passage of the Bill will neither please nor displease anybody in particular. This is doubtless true. Now that the world is under a system of co-ordinated central-bank government, there can be no harm in making the formal gesture of conferring political self-determination on all Governments alike, large or small. On the other hand, there is no benefit for any of them, because the privilege to be granted is theirs in practice already. It will be realised by our readers that if every Government is politically independent, none of them may constitutionally interfere with any other's financial policy. The sole power of interference will rest with the "financial government." For example, the right of Mr. Scullin in Australia to act independently of the British Parliament, is really the right of Sir Robert Gibson and the Commonwealth Bank to do so. Not only that, but in such an event as a British Government's adoption of a policy distasteful to Finance, the world's central banks could put their weight behind Australia and exploit that country's political independence for the purpose of impeding or frustrating the British Government's plans. Sir Robert Gibson might easily fill the same role as Sir Otto Niemeyer, and come to London to present a financial ultimatum to the British Cabinet. This may seem fantastic, but the enormous disproportion between the economic resources of the two countries would count for nothing in a clash of policies if the monopolists of credit backed the smaller one. There is another question, which we are not competent to answer (perhaps someone will advise us), namely, whether the Statute of Westminster formally empowers the Dominions and other Empire Governments to contract out of participation in any war in which Britain may become involved. Could the Irish Free State declare neutrality, for example? Or would Canada have the right to ally herself with the United States? We are far from suggesting that either nation would wish to do so, but it would be interesting to know how the law would stand in this connection. It may be pointed out that the proposed Statute seems to be based on the doctrine of "interdependence" of the constitutent nations of the Empire. A last question is that of the status and function of Dominion- and State-Governors. Will they still have power to veto, or impose conditions and delays on legislation, as has been happening in New South Wales? (See our reference in this section to the N.S.W. Legislative Council.)

THE ABNORMAL IMPORTATIONS ACT.—The character of Mr. Runciman's first crop of tariff duties, announced last Saturday, was foreshadowed in *The Times* a fortnight ago; which is to say that the Treasury—or the Bank of England—had then decided on its tariff policy. *The Times* laid it down that the duties must be such as not to raise prices in this country, by which it meant prices which come within the range of the Cost-of-Living Index calculations. The prices of wireless sets, gramophones, lip-sticks, and other so-called luxuries lie outside these calculations; and a rise in their value does not entail a rise in wage-bonuses. Hence the Treasury has started with "luxuries"; and people who continue to buy them will virtually suffer cuts in income reflected by the advance in prices. If the goods continue to be imported, the Treasury will collect the duty: if they do not, the home manufacturers will collect extra revenue equal to what the amount of the duty would have been, while the home importers will lose their profits altogether. In either case the consumer will undergo new taxation. It may be argued that, *per contra*, the home manufacturer will be benefited; and, to an extent, this may be true. But speaking of industry generally, so much of it has fallen into the hands of the banks, or is now administered under their supervision, that practically all the extra profit accruing through tariffs will be used (a) to pay up long-standing bank-loans, and otherwise (b) to increase the general and secret reserves of business undertakings. In short, the whole public will suffer a fresh pinch of deflation. The extra money they yield up will be destroyed, whether by loan-repayments to the banks of by the purchase of gilt-edged securities from the banks in the process of adding to reserves. (Repayments of bank-loans, or purchases of securities from banks, "*destroy deposits*," as Mr. McKenna has frequently stated.)

THE NEW SOUTH WALES UPPER HOUSE.—*The Times* of November 21 contains the announcement that Sir Philip Game, Governor of New South Wales, has agreed, after negotiation with Mr. Lang, the Premier, that the number of members of the State Legislative Council shall be increased by twenty-five. The appointments give Labour a majority of seven in the Council, but sixteen of the members, although Labour, are not pledged to support the Lang plan. Most of the newly-nominated members are officials of trade unions. A *Reuter* cable states that the announcement has come as a "bombshell" in political circles, and that "business men" in Sydney are declaring that the step will "destroy whatever confidence was growing in financial circles, and constitutes a serious set-back to the recovery of the State." Mr. Lang's differences with Sir Philip Game have lasted since March, when the latter declined to enlarge the Council for the purpose of passing the Arbitration Bill. Previously to that, it will be remembered, the Council passed a Bill abolishing itself, and then got one of its members to apply for an injunction (which was granted) in the High Court restraining the President of the Council from presenting the Bill to the Governor for Royal Assent until after a referendum had been held on the question.

Reviews.

Floor Games. Little Wars. By H. G. Wells. (Dent. 5s. each.)

In view of the near approach of the Christmas Season, the reprint of these two excellent books is greatly to be welcomed. They will be a great blessing to anyone who has to buy presents for the youngsters, or who has to help them in their organised indoor games. In the first, Mr. Wells gives suggestions for the best use of such articles as model soldiers, farmers, animals, etc., clockwork trains, and wood bricks. With the aid of planks pierced with holes and embellished with pieces of twig, they can be built up into small scale representations of savage or civilised life. He concludes with some notes on funicular railways, moun-

tain tracks for sending marbles into unexpected places, castle-building, and so forth. In the second book he shows how a hundred or so toy soldiers and a few guns may be used to play a game more interesting than chess or table-tennis. He gives a full code of rules suitable for his "Little Wars," and an account, in which he makes game of the military mind, of one of the games in progress. After some pacifist suggestions that will make militarist blood boil, he suggests the development of his ideas into a formal "*Kriegspiel.*"

I. O. E.

Talking Pictures. By Bernard Brown. (Pitmans. 12s. 6d.)

There must be a considerable number of people wanting to know how talking films are made and shown, and Mr. Brown's book can be recommended to those desirous of "knowing how it works." The volume is of a technical character, but its style and the very clear diagrams with which it is illustrated should make it understandable by the general reader, especially if he has a working knowledge of wireless. In belauding the remarkable technical achievements represented by the talkie, Mr. Brown is perhaps rather too inclined to belittle the silent screen, but in so doing he is in conformity with public taste. I am interested to note that the author comes to my own conclusion in regard to televised films; while he forecasts the day when every home will have its televisor, he holds that "the entertainment palaces will still be crowded. People will forsake the domestic televisor and seek the companionship of the public halls. It would be a bleak outlook for Hollywood and Elstree if they did not.

DAVID OCKHAM.

Converting a Business Into a Private Company. By Herbert W. Jordan. (Jordan and Sons, Ltd., Chancery Lane, W.C.2. Price 1s. 6d. net).

Company Accounts and Balance Sheets. By Kenneth and Michael Moore, with a Foreword by Sir William R. Morris, Bt. (Jordan and Sons, Ltd., Chancery Lane, W.C.2. Price 5s. net).

Reviews of these two books appear (or will appear) under "News Notes," as they both have a special interest for students of Social Credit.

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.

THE "BLACKBURN MAGAZINE." A monthly review circulating in the district. Editor, Bernard Clayton. Address: 25, Azalea Road, Blackburn, Lancs.

"CHRISTENDOM: A Journal of Christian Sociology."—Published by Basil Blackwell, Oxford. General Editor, Maurice B. Reckitt. Literary Editor, Rev. V. A. Demant. Quarterly, 2s. Annual subscription, 7s. 6d.

"THE LIBERAL CATHOLIC."—Organ of the Liberal Catholic Church. Editor, F. W. Pigott, 30, Gordon Street, W.C.1. Monthly, 8d.

"THE SCHOOLMASTER AND WOMAN TEACHER'S CHRONICLE."—3, Racquet Court, Fleet Street, E.C.4. The organ of the N.U.T. Telephone: Central 3488.

"THE MODERN SCOT" (quarterly).—Editor, James H. Whyte. Abbey Bookshop, 3, South Street, St. Andrews, Scotland.

"THE SCOTTISH EDUCATIONAL JOURNAL."—Organ of the Educational Institute of Scotland (weekly). Editor, Thomas Henderson, B.Sc., 47, Moray Place, Edinburgh.

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

Diary of the Crisis.

November 10.—Junior Ministerial appointments announced.
" 16.—Prince of Wales starts the "Buy British" campaign.
" 17.—Government announces intention to take power to stop dumping.
" 21.—Mr. Runciman (Board of Trade) puts on first duties under the Abnormal Importations Act.

LETTERS TO THE EDITOR.

THE APOTHEOSIS OF ARTLESSNESS.

Sir,—The following letter was sent to me in reply to one which I sent to the secretary of a local branch of the League of Nations Union ("1931-2 Disarmament Campaign"). It explains itself. W. C.

"Dear Sir,—Mr. . . . has asked me as President of the Disarmament Campaign Committee to reply to your letter.

"We are very grateful to you for your letter, though naturally feeling that the danger you suggest is very remote. The fact that the League is a world organisation, and that the delegates to the Assembly represent every shade of political thought and economic theory, should be a guarantee that it will not, even unwittingly, become the tool of cosmopolitan financiers."

(Signed by the Chairman of the "Campaign Committee.")

IS THERE A PRESS BOYCOTT?

Sir,—Obviously it is futile to look for any such admission of boycotting from the Press itself, and it is conceivable that the thousands who provide the supplies of tame essays and emasculated stories are entirely unaware of the existence of anything in the nature of a boycott. But any writer whose ideas *in relation to certain subjects* come within the category of what is popularly and variously termed advanced or iconoclastic or daring, knows of the existence of such a boycott. An analysis discloses three general heads under which it functions: (1) Finance, (2) Sex, (3) Religion. In each case the boycott is restricted to such criticism or propaganda as is dangerous to established interests and orthodox morality because of its *demonstrable* truth. Palpably illogical, ridiculous, or false concepts are featured in the Press, probably in order to give the impression that there is no such boycott.

Thus the consistent ignoring of the Social Credit hypothesis. Thus the indifference to serious works setting forth advanced ideas on sex and religion, where there are difficulties in the way of denouncement on purely pornographic grounds. I have had evidence of such a reaction in the case of my own book, *Marriage in the Melting Pot* (published in New York under the title of *Marry or Burn*), which has been boycotted by the Press *both* in England and in America, and banned by most of the lending libraries.

The attitude taken by editors, publishers, reviewers, and libraries, in respect of so-called revolutionary viewpoints under the headings I have indicated, is *too striking in its uniformity and consistency to be dismissed as mere coincidence.* GEORGE RYLEY SCOTT.

[This is not so closely relevant to the issue as Mr. Scott suggests. The taboo on "daring" writings on religion and sex is not secretly imposed; and it is not absolute. Everybody knows that there are laws against blasphemy and obscenity. At the same time there are avenues of publicity for critical writings on both subjects. The law, and long-standing social convention, discourage any wide, popular dissemination of such "iconoclasm," but they do not prohibit its dissemination altogether. The grievance of Freethought publicists is not that they are absolutely gagged, but that—as they often put it: "The poor are not allowed to know what the rich may." And on a parallel line of complaint, the advanced writer on sex might say: "Ordinary people are denied knowledge which the medical profession may obtain without difficulty." It need not be denied that on religious questions the Churches have mobilised pressure on the Press to discourage the popularisation of heresies; but it is probable that even in the absence of such pressure there would still persist sufficient prejudice against publication to make it an unsound commercial policy on the part of popular newspapers. And so with sex: rightly or wrongly, there is a widespread instinctive antipathy to the circulation of sex-literature among young people —who are the greediest to get it. With regard to Social Credit, we should not have any complaint to make if the ban on it were of the same nature. We should have been only too pleased if the Legislature had defined financial "blasphemy" or "obscenity," thus prescribing the conditions governing the form in which we discussed the subject. The late Lord Coleridge once told Mr. Foote during a trial that the law did not restrict anyone's right to criticise Christian doctrines or challenge the authenticity of Biblical history, so long as he

avoided provocative forms of expression. Foote was opposed to this restriction, because he wanted to be free to use the weapon of ridicule and, occasionally, invective against the Church and the Clergy. But he did have this advantage over the advocate of Social Credit; namely, that the very existence of a law at all regulating his manner of attack made it a matter of public knowledge that he had an attack to deliver. It was an indirect advertisement of Freethought, and it attracted the inquiries of the curious. Moreover, the Christian Evidence Society, as well as a number of responsible individual Churchmen, have written and spoken against, and publicly debated with, both Mr. Foote and his successor, Mr. Cohen, from time to time, *on the issues raised* by these exponents of Freethought. Up to now, Social Credit has not been helped by anything approaching this form of publicity. We could have cheerfully dispensed with it if Major Douglas's Theorem had only been stated and discussed in responsible financial and scientific magazines. If his analysis and conclusions were considered important enough—as they were—to be incorporated in the economic study course at Sydney and Harvard Universities, they could not reasonably be dismissed as unworthy of attention in responsible quarters—especially considering the revolutionary practical implications depending on the soundness or otherwise of his facts and reasoning. We can add some further points relating to the boycott to those published last week. (1) The American publishers of the American edition of Major Douglas's *Economic Democracy* let it go out of print when the first edition was exhausted, and scrapped the type: and would-be buyers of the book had to send to this country to get it. (2) An important English review published an article by him in the early days of his writing. It changed hands soon afterwards, and no further article by him appeared there. (3) The Bankers' Magazine, a year or two ago, published a long article attacking Mr. Brenton's *Veil of Finance.* In spite of the fact that on the front cover of this booklet it was conspicuously stated that the author was putting forward a version of Major Douglas's Theorem, the article contained no mention of Major Douglas's name. This omission was promptly commented on in THE NEW AGE, as also was the significance of the fact that the author should choose for analysis a publication of this sort when Major Douglas's own writings were available. A sequel may be mentioned; namely, that several readers who tried to get a copy of this issue of the Bankers' Magazine as a result of the comments in THE NEW AGE, failed to do so. Whether any of them eventually succeeded we cannot now remember. (4) In the *Realist* for December, 1929, a long article by Mr. Brenton, entitled "The Snowden Commission and the Financial Problem," was published, analysing the structure and meaning of Britain's debt to the United States and showing why the Macmillan Committee (as it was subsequently called) would fail in its duty if it did not consider Major Douglas's proposed solution of our foreign and domestic financial problems. The January issue of the *Realist* came out a week or ten days after publishing date. The February issue did not appear, and has not since. (5) The Labour Party Committee's Report on Major Douglas's Proposals has been out of print for a long time. . . These are all the points we can think of this week. As others occur to us, or readers remind or inform us of others, we will publish them.]

TO BIRMINGHAM READERS.

Sir,—I have a large room in the middle of Birmingham, (Martineau Street), which would be a good meeting-place for a Social-Credit group. Will anyone interested write to me, as below. W. W. BRIDGES.
59-61, Cope Street, Smethwick.

NATIONAL CHRISTMAS.

Sir,—The perpetration of jingle is not one of my besetting sins, but I cannot resist the temptation to add an "envoi" to E. O'D's delightful verses:—

There's overproduction of beer, lads,
And store of whisky and wine:
But be not in doubt; there's not even stout
For us, whenever we dine.

OLD AND CRUSTED.

PROPAGANDA.

Sir,—I am sending Social Credit literature, with a covering letter, regularly to various potential converts whose names I get out of the *Times* and other newspapers. If any of your readers will take a note of my name and address and send me names and addresses of people who they think would profit by receiving my communications, I shall be obliged to hear from them at any time. WALTER M. DIMBLEBY.
29, Craven Road, Reading. November 16, 1931.

CAN THE KANGAROO JUMP?

Sir,—Apart from the above question, the letter of Mr. I. O. Evans in your last issue expresses a by no means uncommon criticism point of view. The present writer has a long and varied experience as an active exponent of the Douglas Credit philosophy, of which the financial thesis and theorem is the core. That experience shows that there is nothing else to rely on except *assertion*!

The whole Social Credit thesis is a "stand-pat" position. *Economic Democracy* is not put forward as a novel and ingenious contribution to the discussion of public affairs, in which men are "ever learning, but never able to come to the knowledge of the truth." It closed the discussion. "A + B" is not opinion. It is a righteous judgment.

The "original thinkers" are too late. It is not a "*crime*" to have views differing from the "pure milk of the Douglas word." It is a blunder. Defects of propagandists are common to all propaganda, but the kernel of this message is, *assertion.*

J. GOLDER.

ANSWERS TO CORRESPONDENTS.

A. W.—Thanks for cutting from the Glasgow *Evening Citizen.* We note the Editor's explanation that overproduction is a "catastrophe" caused by the "mismanagement of gold and silver." Apparently too much gold stops consumption in the United States; and too little gold stops it in Britain. Now we know all about it. Somebody or other has been "*too*" something or other. It's pure cussedness as does it!

M. B. R.—The verses, *The National Christmas*, are, we are told by the author, going to be published as Christmas postcards (with a suitable illustration) to sell at 3d. each for single copies. We will give particulars when the author advises us that they are available. We will ascertain if he is willing for you to reproduce, with acknowledgments, the verses in the magazine you speak of.

P. McD.—Telephone to the office when you arrive in Town. We will fix up appointments for you to meet the editor and others associated with THE NEW AGE and the Social Credit Movement.

G. H.—Thanks for your letter. We have not received any detailed information to speak of respecting Social Credit activities and experiences in the constituencies during the election. If any reports of general interest come to hand, we shall publish them from time to time.

H. G. B.—(1) Thanks for copy of journal. (2) A general fall in commodity prices must be assumed to have a general cause. In the case of the general slump since 1929, the immediate cause was a general failure of demand. The antecedent cause was a general diversion of money away from the commodity markets. And the ultimate cause was undoubtedly a general dose of deflation administered by the banks of various countries acting in concert. The downward trend is also assisted by the appearance of abnormally large crops, e.g., wheat, cotton, wool, etc., especially when the holders are unable to keep the surplus off the market. Wholesale and retail buyers of these things naturally reduce the speed of their purchasing in the hope or expectation of lower prices, and unless the banks come to the aid of the growers and take up the slack in revenue caused by the holding off of buyers, prices are bound to come down. We forget at the moment when the Stevenson Agreement, controlling the feeding of rubber onto the market, collapsed; but you will remember that, when it did, rubber fell away quickly to a fraction of its previous price. The phenomenon of a worldwide fall in prices can be plausibly ascribed to what is called the "psychological factor"—the spontaneous acts of people engaged in buying and selling. But so can the phenomenon of a worldwide rise in prices, such as took place during the war. The whole point is: Who or what causes this psychology to take an optimistic direction at one time and a pessimistic direction at another? We suggest that it can be nothing else but the policy of the banks regarding the expansion or contraction of credit. Expansion inspires hope: contraction strikes fear. (3) Your suggestion is noted. We will pass it on.

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