

# THE NEW AGE

INCORPORATING "CREDIT POWER."

A WEEKLY REVIEW OF POLITICS, LITERATURE AND ART

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## NOTES OF THE WEEK.

### The Crisis in the United States.

[Until otherwise indicated, the following comments are confined to news received up to, but not after, November 1.—ED.]

The *Times* of October 31 publishes cables from its correspondents in New York and Paris on the United States Government's decision to buy gold outside, as well as inside, the country, and devotes its third leading article to this new development, as well as a special article by its City Editor. The general atmosphere of the news and comments is one of suspicion. They comprehend such questions as:

1. Why such secrecy in the discussions leading to the decision?
2. What is Roosevelt's real object?
3. Who are prompting him?
4. Assuming that his object is merely to effect beneficial domestic changes, is his method technically sound?
5. Granted the object and the soundness of the method, could his policy affect the interests of other countries for the better or for the worse?
6. If for the worse, has he overlooked that contingency?
7. If so, is he prepared to work in consultation with the Bank of England to prevent or mitigate external disturbance?
8. If not, what ought the British Government (and/or others) to do about it?
9. Another question comes into the discussion, namely: What is the financial technique by which the United States can acquire gold from other countries?

All these questions are apparently more or less in doubt, and the only guidance which *The Times* can give its readers lies in the statement that the operations of the Reconstruction Finance Corporation would cause "many awkward problems both for the United States and for other countries" if conducted independently; but, on the other hand, that, if conducted in collaboration with the Central Banks, the exchanges could be

protected against "violent speculative fluctuations," in which case the money at the Corporation's disposal might "be used as an American Exchange Equalisation Fund," thereby opening up "possibilities of co-operation for the benefit of international trade." But which it is to be is as yet a secret. Everything depends upon the "extent and method" of the operations; "and on these points the President's intentions have not yet been divulged." (See leading article, *Gold and the Dollar*, p. 15.)

The Washington\* Correspondent names Professor Warren, of Cornell, and a group with which he is associated, the "Committee for the Nation," as responsible for prompting the President, stating that there has been a "notable similarity" between the advice previously given by that body and the "movements of Presidential policy." In their propaganda, as shown by quotations, the Committee had been publicly advocating the creation of a "pan-American gold market in Washington." On the opposite side are an anonymous group, described by the Correspondent as "a number of men" who are interested in a "friendly conclusion of a new Debt Agreement" between America and Britain. These men, he says, are now forced to the conclusion that good purposes would be served by "a declaration by the British Government that no further payments on account would be made, and that revision of the existing funding arrangement and nothing less is desired." A few lines later the Correspondent says on his own account that if revision looks like being shelved by the President, and "if His Majesty's Government should then make known its unwillingness longer to temporise, there will be little surprise and little criticism of Great Britain in circles genuinely worth considering." (Our italics.) Our readers will know how to describe the "number of men" who are "genuinely worth considering," and their description will be confirmed by the following dictum attributed to them by the Correspondent:

"deliberate currency inflation on this side [i.e. in the United States] may increase prices temporarily, but . . . its inevitable deflationary effect abroad is then felt by repercussion at home."

a view which, in the style and concentration of its expression, reveals the hand of the financial expert. The

"number of men" is a "number of bankers," and presumably hyphenated citizens—citizens *in*, but not of the United States, which presumably explains why they are able with impunity to incite Britain to go on strike against Roosevelt. It recalls the somewhat similar phenomenon seen in Germany when Hitler's followers were rough-handling the Jews—when, as one might say: "The Aryans barked, but the Warburgs carried on."

How far the nine questions enumerated above represent real uncertainty among the bankers, or how far they reflect the bankers' policy of professing uncertainty with the view of infecting the people with doubts about the wisdom of Mr. Roosevelt's policy and the efficacy of his measures, it is impossible to estimate. There is an amusing piece of presumptive evidence in support of the latter hypothesis in *The Times* of November 1. If you turn to page 14, column 1, and look at the sixth line of the Washington Correspondent's cable, you will read these words: "... was as unexpected as it was ..." And if, instead of reading downwards, you read across into the line exactly adjoining in the next column, you will see the words: "... was not unexpected. ..." So, removing the vertical rule dividing the columns, you get the phrase "... was as unexpected as it was ... not unexpected." The explanation of this contradiction is that whereas the assertion that the Government's decision to purchase gold abroad was unexpected is made by *The Times's* Washington Correspondent, the contrary assertion is made by *The Times's* City Editor. These two "observers" have got their stories crossed; and we must suppose that one of them was better informed than the other either as to the fact (if such it was) of the surprise-element in the President's announcement, or as to the policy of the bankers on the question of whether to profess surprise or not; or else to suppose that whereas Wall Street was really surprised Threadneedle Street was really not surprised. This last hypothesis is tenable, but if correct it suggests that what the Washington Correspondent refers to as "the unwritten law of inter-communication between central banks" is not being so meticulously observed as one is accustomed to expect from people who control all the means of intercommunication. However, perhaps the fact that the law is unwritten leaves the central bankers with more or less discretion to decide how fully or frankly to communicate things to each other.

The saying that a prophet is not without honour except in his own country may be related in a modified sense to the central banker, namely: that he is not without foresight except in his own economic area. For example, the Labour Government, so the historians of the City relate, had brought Britain to the very brink of ruin in 1931 before the bankers woke up and hustled them out. Again, as concerned the famous overnight scrapping of the gold-standard, the bankers, after the manner of Don Juan's young lady, "swearing they would ne'er come off, came off it." But while the prophets of Threadneedle Street may be overtaken by events in England it does not follow that they are unable to anticipate events elsewhere. In fact it may be true to say that the chief function of a central banker is to keep his eye on other central bankers, and be ready at one time to help them to suppress internal movements likely to undermine their common monopoly, and at another to counteract any moves on their part which looked likely to diminish his own quota of influence within the international financial hierarchy. If so, it is unreasonable to expect him to foresee and prevent bankruptcies at home and heresies abroad at one and the same time. "Each for himself and God for us all," as the elephant said as he danced among the chickens; and if you have a group of elephants executing a waltz preparatory to attacking each other, well the chickens must allow them space to manoeuvre. And when these chickens are human beings in an economic area they find that there is no place where the elephant

may not choose to tread. The animal may say: "One step enough for me," but if it isn't to be more than enough for the chickens they really mustn't stay on the earth at all!

To revert to our main theme, the contradiction referred to can be interpreted in the following way, namely that if the people of the United States can be made to believe that the President's plan has taken New-York bankers by surprise, but has not taken London bankers by surprise, they will naturally conclude that London knows better than New York what steps should now be taken to make the President's policy safe for the American people. They will be prepared for open co-operation between the Bank of England and the Federal Reserve Board. Sir Herbert Samuel, in the same issue of *The Times* as we refer to, contributes the second (and final) instalment of an article reporting the results of his investigations into the situation in the United States. The article consists generally of a conspectus of events and tendencies, accompanied by interpretative comments and arguments designed to prove the existence of "anxiety" and "concern" and to show that this apprehensiveness is reasonably entertained. There is little doubt that what he says will be paraded by the bankers in the United States as impartial testimony to the unwisdom of Mr. Roosevelt's past policy, and by implication, to the danger of allowing him to develop it at all, or, at any rate, to do so without expert advice and assistance in its administration. One bouquet de- and serves another; and it is fitting that whereas, at the famous Lotos Club dinner, Viscount Astor was good enough to express the hope that whenever Europe got into difficulties Mr. Owen D. Young would be sent over to help her out, now that the United States is in difficulties it would seem the appropriate thing for (shall we say?) Sir Otto Niemeyer to pay a visit to Washington on a similar mission. So long as the universal fundamental axioms of the existing financial system are left out of sight, Sir Herbert Samuel's reasoning cannot be impugned, and the conclusions at which he arrives will, in the end, be independently subscribed to by disinterested statesmen everywhere.

For instance, he criticises some remarks made by General Johnson, the head of the National Recovery Administration, in an address in New York in September. The General had said:

"What is it that makes prices go up? Nothing in the world but a popular conviction that they are going up. What is it that makes factory wheels go round? The simple belief that trade is going to take the output of the plant. What is it that makes merchants fill their shelves? Confidence that people are going to empty them."

Sir Herbert replies: "But this 'psychological factor' is never more than a short-term factor. After a while cold economics takes the matter in hand. Is trade in fact taking the output of the plant? Are people in fact emptying the merchants' shelves? In America to-day it is not so clear that they are."

This sort of arguing is only too easy, and this sort of appeal to facts only too safe, when the disputants leave the factor of credit out of account. Notice which the Johnson is indicted for using an argument which the bankers shout from the housetops when the collapse of trade to the lack of confidence caused by the speeches in Australia they explicitly attributed to the collapse of trade to the lack of confidence caused by the speeches and policies of Mr. Lang and Mr. Theodore. If uncertainty and fear can contract trade, why should not confidence and hope expand it? And if optimistic "psychological factors" are never more than "short-term" why are not pessimistic factors similarly brief in their duration? If hope can create fear in a month, why can fear last for thirteen years without creating hope? The

reason will appear if we make an amended version of the General's catechism:

"What is it that makes prices go up?"

"More money about."

"What causes more money to be about?"

"The action of the banker in lending more money."

"What makes the banker lend more money?"

"The simple belief of his customers that he is going to lend it."

If that were only true—oh, boy! We find it difficult to believe that the quotation cited by Sir Herbert Samuel fairly covers the scope of General Johnson's views, for the General must be aware that his attempts to revive trade are being implemented by the provision of new credits. Sir Herbert himself alludes to this a little later in his article where he points out that "much money which it had been hoped would have constituted an effective demand for goods . . . has not yet come into circulation." Notice his solicitude for the General's feelings. He does not tell him that the money won't come into circulation, but simply that it hasn't done so yet. The obvious implication of the remark is to offer the General a warning to the following effect: "The lag in the expected demand is a serious thing for you if you can't find out the reason for it and put it right; for the winter is coming on, and the people are getting impatient; and if you don't act quickly you will be discredited and deposed." Sir Herbert offers no advice as to what President Roosevelt can do about it, but he drops a hint as to what he mustn't do. He says:

"The workpeople who have been brought back into employment, and the farmers who are receiving more remunerative prices for their produce, have first of all, with proper honesty, set themselves to repay the debts which they had contracted rather than to buy new things for themselves." (Our italics.)

This passage is expressly written by Sir Herbert to show one cause of the lag in demand, as well as to hint that no honest Government would seek to prevent or arrest its operation. The underlying significance of it will be appreciated only by students of Social Credit; but on the face of it there are deductions to be drawn which one would suppose should occur to all persons of intelligence—especially unsophisticated intelligence. For instance, having in their minds, as they probably would, a picture of private debtors paying off private creditors, they could easily ask themselves why these creditors have not bought new things for themselves with the money which the debtors refrained from using to buy new things for themselves. After all the private creditors are citizens of the United States, and are just as susceptible as others to the stimulus of the strident "Buy-now" propaganda sweeping through the States. Again, by assumption, they had not expected repayment; so that when it takes place the money is a windfall: and if you mustn't spend a windfall on yourself what on earth may you spend on yourself? Lastly, even supposing that they would normally not choose to buy more things just because they had more money, why are they holding on to it in the face of the prospect of higher prices which everybody is being told to expect? Granted that they are all congenial savers, it should nevertheless be clear to them that when prices are going up spending is saving—and as plenty of Germans and Austrians can testify, the only way to save. Such would be the reflections of an ordinary observer if he accepted the idea of petitioning the National Recovery Administration to assume powers of collecting debts from debtors on behalf of the creditors, and of paying the latter, not in money, but in certificates entitling them to requisition things for themselves from the shops within a certain time, after which the certificate would expire, and the rights which it carried would be transferred to less obtuse and unpatriotic people who needed things for themselves. Nor is it far-fetched to imagine something of this sort being done if the problem were, in fact, a matter merely of bringing refractory private creditors

to heel. But the problem is not that at all. The creditors who are responsible for the trade-lag are virtually all banking and other financial corporations, and may, for convenience, be identified with the anonymous group which *The Times's* Washington Correspondent discreetly designates "a number of men." And we shall not be far out in surmising that it was this same "number of men" whose society Sir Herbert Samuel frequented during his visit. Probably it was they who took him on his tour round the "situation" in America to make sure he got the right story, knowing that he was loyal to the principles of "sound finance," and competent enough to apply them exponentially without disclosing their significance—at least, not so's any guy'd notice.

Passing over to the technical aspect of debt-repayment we may as well make the preliminary observation that in cases where creditors are private individuals or business corporations, and where they receive repayments without spending the proceeds, the fact would be recorded by an increase in their deposits at the bank, and would be measured by the amount of the increase. So in the hypothetical event of the U.S. Government's wanting to find out where, and to what extent, money "provided" to stimulate trade got stuck on its way to the consumption market, an official inspection of pass-book or bank-ledger balances would, in theory, elicit the required evidence. Debtors' deposits would be lower, and creditors' higher, by the collective sum transferred from the former to the latter. There would be no reduction in the collective deposits held by the two groups together before the transfer. For the same reason, if before the transfer, new money were provided by the banks in the form of loans, the whole sum so issued would swell the total deposits by the same amount, no matter how much of it had come into the hands of debtors and been used to repay creditors. Statistically the whole of the new money would be available for implementing effective demand, and would be traceable to certain deposit-accounts. The political import of this is that if, in the circumstances postulated, the Reconstruction Finance Corporation made an investigation they could find a sum of new deposits held by the banks corresponding to the sum of costs waiting to be recovered by sellers in the consumption-market. The deposits required to "clear the merchants' shelves" would exist; so that the lag in demand which is the cause of the trouble would be the unwillingness of the depositors holding the money to spend it that way.

But the circumstances in which this would be so do not exist. They presuppose that debts are being mutually incurred and discharged as between customers of the banks, and leave out of consideration the fact that practically all debt is incurred and discharged in transactions between the banks on the one hand and customers on the other. The repayment of a loan to a bank extinguishes the record of the loan and the record of the deposit applied to the repayment. Mr. McKenna has stated this in another way: "A bank loan or purchase of securities creates a deposit, and the repayment of a bank loan or the purchase of securities from a bank destroys a deposit." These are his words in effect. Hence, when Sir Herbert Samuel refers to workpeople and farmers discharging debts out of wages and profits instead of buying things for themselves, it is of vital importance to know whether the debts are due to banks or to private individuals. If to banks, then the consequence is that the debtors have not merely transferred money with which they could have bought things to others who can thus buy them instead if they want to, but have surrendered the money for destruction before it has bought anything for anybody. There is little doubt who the creditors are. The enormous burden of farm mortgages about which so much has been heard during the last several years, all represents bank-loans at first or second remove. Every dollar repaid by a farmer to his mortgagee causes a slackening of demand at the

consumption end. And since this dollar missing from the consumption end of the process does not exist, the slack caused by it cannot be taken up unless the bankers are willing to create and issue another dollar. And even then, the new dollar being a repayable loan, recallable without notice, the taking in of the slack is merely a temporary relief preparatory to letting it out again. "Popular conviction," "simple belief" and "confidence," are, as Sir Herbert says, never more than "short-term psychological factors" for the reason that bank-loans are never more than short-term factors. This is not the whole reason, but it is enough for the American public to chew on for a start—other flavours of gum will follow when they have exhausted what's in this piece.

A person suspected of having stolen an article does not prove his innocence merely by showing that he has not got it on him; nor, additionally, by showing that he has no use for such an article. Much less can he prove thereby that the article is not missing from the place where it properly belongs. Now, the trade-lag is due to the fact that the cost of things which people want to buy for themselves is greater than the money they have to spend on themselves. The missing article here is money; and the place where it properly belongs is the pocket of the man-in-the-shop or the purse of the woman-in-the-shop. Taking the collective sum of money brought by the whole people to the shops as represented by the token sum of 80 dollars, and the collective cost of goods awaiting sale as 100 dollars, then two facts are obvious: (a) that 20 dollars are missing and (b) that trade is going to collapse for that reason. Now the bankers could prove by their books that they did not hold that 20 dollars to the credit of anybody's account; they could also prove by the same evidence that they had not appropriated it on their own account, and that they had no reason for wanting to. But it does not follow that because they haven't got it on them that they haven't had it, nor that because they didn't want it for themselves they did not take it from someone else. Such a thing is conceivable as that of a person's taking property unwittingly and losing it before he has become aware of having taken it. It sounds far-fetched as stated thus, but it is nevertheless literally true of the mass of directors and officials operating the banking systems of the world. They use a technique of accounting loans and repayments based on the assumption that so long as they maintain an exact balance between debits and credits inside their system there must be an exact balance between shop-costs and shoppers' spending-money outside. The assumption is false, and has been demonstrated to be so in Social Credit text-books and pamphlets. What actually happens is that, when anybody repays a loan to the bank, the money paid is wholly cancelled—that is, retired from circulation, whereas some proportion of it (in our illustration, the missing 20 dollars) ought to remain in the bank's ledger as a general credit to the community, drawable by them for spending at the shops. The proof of this must be consulted elsewhere, but the immediate point for the public in America to consider is this: assuming that our statement is true, does it not account for the failure of President Roosevelt's plans so far? More important still, does it not account for the anomalies, abuses and stagnation which existed before the President took office, and whose existence was the reason why he entered on his experiment, and why the public acclaimed his doing so? To hear people like Sir Herbert Samuel talk one would suppose that pre-Roosevelt trade was going on very nicely, or at least was showing signs of steady improvement. Nothing of the sort: and the point of it is that the same difficulties and hardships as are being experienced now have been manifest under all sorts of monetary policies since the war. It may be answered that Roosevelt has aggravated them; but that is superficial. Roosevelt has put out more dollars to cure the disease, but the bankers have intercepted them before they could reach the patient. The aggravation is not his fault, unless, of course, one holds that he ought to have

first dealt with the technical flaw in financial accountancy. But how should he discover a flaw which bankers themselves have overlooked? And even so, how could he put it right if the bankers insisted that the flaw did not exist, which they would do in all good faith? The knowledge of it is held on the bankers' side; but only by those super-banker-statesmen behind the scenes whom *The Times's* correspondent calls "a number of men."

We must quote another passage from his cable.

"Yet it is everywhere admitted that War debts are a small matter compared with the dangerous implications of the step to which the President is now committed. The suggestion that the American Government might be able to withdraw at will once it had made an entry into the foreign market is not seriously taken, and the theory on which it is based is everywhere criticised." (Our italics.)

The suggestion, if made, does not depend upon theory, but on the fact that the United States is self-sufficing in natural resources, organisation and equipment. The President's new step is "dangerous" precisely because he is in a position to implement Social-Credit principles without being hampered by foreign interference.

[November 4, 1933.]

We have just space to notice the emergence of Professor E. W. Kemmerer onto the scene. He is quite a stranger, but we remember him well, and have some interesting things to say about him. Quite briefly, he was the economic expert who, thirteen years ago drew up the scheme of deflation which the Federal Reserve Board launched at that time. One of the items was that the banks should gradually move their holdings of "Government paper" into the hands of the public, and philanthropic and savings institutions—in other words, should plant the people with problematical borrowing-powers in exchange for their good hard cash. As we have shown, the technical consequence would be (and was) the disappearance of the cash out of circulation. We hope to deal with this old ramp in more detail as the contemplated new ramp develops—for Professor Kemmerer has begun by asking the Chamber of Commerce of the State of New York to recommend "an early return to the gold standard, and an immediate commitment of the Government to do so." (*The Times's* New York correspondent—cable published November 4.) Things are beginning to warm up in both the technical and political spheres of action, and our Social-Credit friends on the other side look like having a beautiful choice of opportunities to make themselves useful.

### Loyalties and Competition.

Sir Stafford Cripps told the Civil Service Clerical Association the other day that:

"It was essential that the English people should acknowledge greater loyalty to the League of Nations than to their own own Government, if that Government acted contrary to the decision of the League." (*Times*, November 1.)

Good! And what form should the acknowledgment take? Three cheers for the Government, and four for the League? Or a vote for "Labour"? Or a strike by Civil Servants?

"The Labour Party was convinced that the root of the war danger was not armaments but international capitalist competition."

Well; and does the League propose to abolish the thing called "competition"?—or the international dimensions of it?—or the capitalist nature of it? Or does the Labour Party propose to abolish competition—or to socialise it? The competition here is to sell things; and it arises because, for some reason or other, the sellers find themselves obliged to sell goods outside their countries as well as inside. Has the League of Nations, or the Labour Party, a plan to remove that obligation? Or do they hold that the obligation does not really exist, but is merely a hallucination? Or do they think that the obligation is over-quantified, and can be scaled down all round? We await further information.

### Ministers' Responsibilities.

Mr. Coates, the acting Prime Minister of New Zealand, has not yet met anyone, so he said recently, who understands the Douglas Analysis. Therefore (for such is the obvious implication of his statement) it is unreasonable for the citizens of New Zealand to expect him to understand it! The *Christchurch Press* takes him to task in an excellent leading article for this irresponsibility. The writer remarks—

"And in New Zealand to-day one's education is not complete without at least an understanding of the Douglas scheme and an ability to discuss its broader aspects. Certainly no candidate for Parliament should have to confess that a plan so widely discussed—and so implicitly accepted by many people—is beyond his powers of comprehension. There is admittedly a small hurdle to be overcome at the outset, since the scheme is necessarily described in technical language. . . ."

But, he proceeds, the general character of the scheme has been frequently given in plain language in the correspondence columns of the *Press*.

"and it is only when one comes to close quarters with the proof, or disproof, of Major Douglas's contentions that the argument becomes intricate. Virtually every economist admits that under existing conditions there may be a gap between the total cost (and profit) of commodities produced and the total amount of money or credit available for continuing purchases, but whereas orthodox economists find the cause of this gap, when it has made itself apparent, in fluctuations of the quantities of money and credit, Major Douglas believes that it is inherent in the present financial system. It is one thing to understand the Douglas plan, of course, and quite another to accept it as sound, but when a proposition attracts so many converts it is the duty of every intelligent citizen to know at least its character and we should hold that it is certainly the duty of members of Parliament to understand it."

The date on which the *Press* published this is not given, but as we have just received the cutting, presumably it would be about seven weeks ago.

### Debates and Chairmen.

A gentleman called Wilson has evidently been discussing irresponsibly on Douglas in the correspondence columns of *Dominion* (Wellington, N.Z.). In its issue of September 5, Mr. S. H. Fyffe, Hon. Sec. of the Silver Branch of the Douglas Social Credit Association challenges him to a debate. He explains that the Branch is composed of forty members comprising "men and women of many walks of life and social position"; and he offers to put "any one of them" up against Mr. Wilson if he will pay the Branch a visit. The conditions are as follows:

"We will provide a first-class trip out and give him just double the time to speak that our representative shall have. We will ensure that he receives adequate publicity, and altogether he should have a really enjoyable evening. This is a challenge to a debate, and, if Mr. Wilson will not accept it, he should at least cease his misrepresentations to the *Press* on the Douglas proposals. If he will kindly post a note to the undersigned, a date to suit his convenience will be arranged."

This is the stuff, what?! The strategy is first-rate, and yet is free from any element of cunning. Mr. Fyffe, in handicapping the Silver Branch at top weight, so to speak, makes it the favourite for the debate whether the meeting is held or not. And he can do it without risk, because whatever the immediate issue of a dialectical tussle between debaters on the inner technique of finance and accounting, the ultimate test is, as it must always be, whether the theoretical conclusion reached inside the debating chamber squares with concrete facts

outside. Apart from that, we know from our own observation, that there are few even among the least-trained followers of Major Douglas who cannot, by merely asking questions based on their general knowledge, cause the other side to expose its lack of logic and its blind spots for evidence. There is a saying: "He who knows only his own side of a case knows little of that." What, then, can be expected of one who does not know even his own side of a case? It is a common and peculiar experience of old hands at Social-Credit propaganda that the less the opponent knows the harder he is to deal with. And this is the chief snag in a debate, or in discussions following addresses: it calls (as we pointed out some time ago) for even higher qualifications in the person who presides over a meeting than in the speakers who take part in it. Debates are more often "won" or "lost" (not to speak of time and tempers lost) by the chairman than by the debater; and it would be most useful if Social-Credit group-leaders would encourage the systematic study of the art of chairmanship by suitable members. There is a short book called *The Chairman's Guide*, by Henry Frith (Ward, Lock and Co.), which can be recommended. It costs 2s. 6d.\*

### "The Listener" on the Poverty-Paradox.

*The Listener* of October 18 publishes a leading article on Mr. Julian Huxley's "second talk" on "Scientific Research and Social Needs." The writer attempts to answer the question: "Why poverty amidst plenty?"—Why does output (and capacity to produce) so greatly exceed consumption (and capacity to consume)? The reason, he says, is psychological. It is the fault of Tom, Dick, and Harry! These fellows, who take on trust the discoveries and achievements claimed by experts in "pure sciences," will persist in debating those claimed by experts in the "pseudo-sciences." If they would only show the same respect for the research work done by experts in the art of distribution as for that done by experts in the science of production everything would be all right. But no; they obstinately insist on treating the former as belonging to the "democratic sciences" where "nothing can be done without vote-counting and popular consent," whereas in the "aristocratic sciences" such consent is of secondary importance—"leadership and responsibilities" being the "qualities called for." Whereas they recognise the aristocracy of such men as the late Sir Charles Parsons, they are too obtuse to detect that quality in such men as Sir Josiah Stamp. The consequence is that experts who know most about these "democratic sciences" are "the least willing to speak, save in oracular or general terms, or in a jargon of mathematical formulae." In face of the majestic incredulity of Henry Dubb they are reduced to babbling. To be intelligible is to be counted out. All they can do is to profess noble sentiments, prophesy against indolence, and extol the heroic virtues against a background of rubber logic. Henry has no heart. But happily he has a heart of hearts, and while he "loves to hear himself talk more and more" about subjects beyond his comprehension, "in his heart of hearts he is aware that he knows less and less" about them. And that's that!

### Japanese Financial Policy.

The *New Era* (Sydney, Australia, September 21, 1933) quotes the passages which follow from a letter contributed to the *Straits Times*, Singapore, by Messrs. Baker, Morgan and Co., a firm which in the Settlements has something like the standing enjoyed by Elder, Smith and Co., and Dalgety and Co., in Australia. Before the slump this firm had been issuing a circular every week for investors, entitled *Round the Markets*. Latterly the circular has been produced at longer inter-

\* Major A. E. Powell's *The Ritual of Business* (Theosophical Order of Service, 2s. 6d.) is very good but is out of print and stocks are limited.

vals. Messrs. Baker, Morgan and Co., in the letter referred to, after reviewing the world financial position with reference to the gold standard, proceed to speculate on what is to happen next, in the following terms:

"It would seem to be one of three possible things:

(1) If what appears to be a quite cautious policy of 'inflation' that Japan has embarked on is to culminate in the Social Credit System advocated by the Engineer-Economist Major Douglas—who lectured in Japan in 1929—then, we may find that country coming out with a National Dividend, and rebate to consumers of the nation's products (with the object of creating greater internal consumption), when, it would seem, all other countries must follow suit, which would amount to universal planned 'inflation,' and be surely a good thing for everyone.

(2) A reckless race among Western nations, by 'inflation' without any plan, merely to depreciate their currencies sufficiently to grab some of the trade Japan is at present 'getting away with.' Inadequate inflation might well be encouraged by international financiers to prove its inevitable failure.

(3) A determined stand against 'inflation,' prompted by international financiers in their efforts to continue to keep money, which they insist on dealing in as a commodity, as scarce and valuable as possible.

If No. 3 should become the order of the day, then it will mean a fight with Japan, economically or otherwise, which, whatever the result, can hardly prove anything but another world disaster. Meanwhile, therefore, it is perhaps fortunate that a tendency towards inflation, which it is at last realised can be planned, is now fairly universal among nations, if not among financiers—the difference between giving a man a drink and drowning him.

The conclusions we come to, then, are that if (1) or (2) come to pass, still higher commodity prices are likely to be seen, in the case of (1) without necessary reaction, though not necessarily in the case of (2); whereas if (3) happens very definite reactions must be expected. And this summary seems to answer the questions of selling, selling and waiting, or not selling but buying further, i.e., according to whether one takes the first, second or third view above.

As regards the first, we should remember that Japan is a modern nation, always benefiting by other and older nations' experiences, and that she has made some half-dozen rapid and bold changes in her money system since she started her silver yen in 1871; so that nothing need surprise us, especially in view of her amazing progress in other directions."

### "Monarchy or Money Power."

[Extracts from Mr. McNair Wilson's book of this name.]  
"The Money power always appears as an angel of light. Some times it is International Friendship, sometimes Disarmament, sometimes Cancellation of Reparations and War Debts, sometimes the Stability of Prices. These Central Banks, loaded with their chains of gold, become agents of what is essentially a foreign power in occupation of a conquered territory." (p. 107.)

"The Money power, in short, which had caused the Revolution in France, and which, later, had destroyed the Assignat, now (1819) made use of both these calamities to inspire terror in the minds of the English Government, which was persuaded that only the Money power could save it from ruin—an interesting example of economy of means." (p. 119.)

"For this great Jew [Disraeli] was under no illusions about the 'services' which 'Dutch finance' was supposed to be rendering to industry. He began to see this power as something great and sinister and terrible; without scruple and without mercy; ready, for its own interest, to hurl nation against nation, class against class, man against man. He gained knowledge about the sums spent by Money in subsidising the economists and writers favourable to its claims and in maintaining a propagandist Press, and he soon reached the conclusion that Liberalism was but a pawn of the Money Power. This was Queen Victoria's view also, and explains the deep and ineradicable dislike she felt for Mr. Gladstone." (p. 146.)

## The Green Shirts.

### NOTES FROM THE GENERAL SECRETARY.

London Green Shirts were active at political meetings during the recent East Fulham by-election.

On September 8 the Communists advertised a meeting in the Town Hall Square, Keighley, to "expose the Green Shirts." Needless to say, a detachment of the Keighley Section attended this meeting, taking up their position immediately in front of the platform. At question time a Green Shirt asked the speaker what books, if any, he had read dealing with Social Credit. The audience was astonished to hear that he had read no books at all on the subject.

The above account is taken from *The Green Shirt Review* (Keighley.)

On October 4 and 18, Preston Green Shirts acted as stewards at lectures given by Mr. A. L. Gibson and Mr. R. Kenny. These were organised by the Preston Social Credit Association, and the Green Shirts were thanked for the platform for their willing co-operation and efficient work in distributing handbills and tickets. Twenty copies of *Attack!* were sold at the second meeting.

On October 7 and 14, the Preston Section travelled to Blackburn on an open lorry to assist the Blackburn Green Shirts. Despite the cold weather seven to eight hundred people gathered to hear the Preston and Blackburn Section leaders. On the following Sunday, however, they were "rained off," and owing to the bad weather a small meeting was held in the Blackburn Green Shirt headquarters.

A meeting was held under the covered market in Preston on October 21, with the help of the Blackburn Green Shirts, "but the crowd was never more than 300 owing to the cold weather." Interest generally seems to be growing. Sales of *Attack!* were good—116 copies sold.

On October 22, the Preston Section again went over to Blackburn by lorry and thence to Great Harwood with the Blackburn Green Shirts to hold the first Green Shirt meeting in that place. Our report says:—

"Great Harwood is a small cotton town, near Blackburn, in which there is not a mill working. There is real suffering, destitution, and starvation amongst the inhabitants. The meeting had been advertised by the bellman, and the Market Square was thronged with people awaiting our arrival. With the exception of a single bellicose Communist our reception was excellent, and a crowd of about 400 listened keenly and attentively. As we marched smartly away after the meeting, however, there were two or three men shouting that we were 'b—— Fascists!' etc., despite our very definite previous assertions to the contrary."

The Preston and Blackburn Green Shirts have decided to hold open air meetings in Great Harwood every night. The Preston Section holds its Local Assembly to discuss and settle propaganda, plans, and tactics, every Tuesday evening.

The Bradford Green Shirts have been very active. They attended election meetings on Monday, Tuesday, Thursday and Friday, during the last week of October. Our report says:—

"At each meeting several questions were asked, and after each meeting *Attack!* was on sale.

"Thursday evening (October 26) was typical: eight men in uniform marched into the election meeting. They sat quietly through the candidate's speech, and when the chairman asked for questions, a Green Shirt jumped up straightaway and asked: 'Is the candidate a supporter of Douglas Social Credit?' The reply was that the question had no local significance. Other questions were:—

"Has the candidate any proposals for dealing with unemployment when machines are continually putting more men out of work?"

"Is the candidate in favour of the distribution of the National Dividend?"

"How does the candidate propose to reduce the £21 million debt owing by Bradford to the banks?" (The answer was—'out of the rates'.)

"Has the candidate any suggestions to make on the abolition of poverty in the midst of plenty?"

Section Leader Townend was not allowed to put a question because he is not an elector in the ward. Later in the course of an address a supporting speaker stated that he was "a financial expert." Immediately after he sat down,

Section Leader Townend jumped up and spoke out in a loud voice:—

"Mr. Chairman, you refused to allow me to put a question to the candidate, but may I, as a harassed ratepayer of Bradford, put a question to the Financial Expert on the platform?" This was received with cheers in the body of the hall, and, after some little hesitation and consultation on the platform, the question was allowed. Section Leader Townend said:—

"I have listened patiently to the Financial Expert's exposure of the futility of the Socialist Programme, and I entirely agree with him on that point. The ratepayers in Bradford are not interested in municipal ownership of tramways, houses, or gasworks—but they are vitally interested in having sufficient money to ride on the trams, to live in the houses and pay the rent, and to use the gas and pay the gas bill. Has the Financial Expert on the platform any proposals to lay before the meeting whereby the ratepayers of Bradford could get sufficient money to enable them to ride on the trams, and pay their rent and gas bills?"

The financial expert replied that he had put his proposals in his speech, and the chairman said: "No more questions!"

The Green Shirts immediately rose as a body and left the hall. After the meeting 15 copies of *Attack!* were sold.

On Wednesday, October 25, Bradford Green Shirts attended a lecture on Douglas Social Credit by Dr. Neil Montgomery at the Midland Hotel.

A London H.Q. Staff Officer reports:—  
"When I was passing through Piccadilly in uniform the other evening, a newspaper seller shouted out, 'Good luck, sir! Good luck to the Green Shirts! They're our lot!'"

At an open-air meeting held at Mornington Crescent a few nights ago, a member of the audience asked whether there had ever been "a successful uniformed insurrection in this country." Another man in the crowd shouted:—  
"Yes, Oliver Cromwell did it!" and the Green Shirt speaker added:—

"And Hampden's men wore green.

"One of the most successful open-air meetings was held at Stevenson Square, Manchester, on October 22. The speaker was Staff S.-L. Harper, supported by Green Shirts Ward and O'Neill. Our report says:—

"All our copies of *Attack!* were sold without difficulty. For some reason hard to explain the meeting was first class. The most inspiring we have had. The crowd was with us. But we would like no great song to be made about this until we can show results in recruiting at this 'pitch,' and we start first. We also end early, but it does not matter if the crowd goes on to hear some other speaker afterwards, because the contrast between the sheer sense of our case and the nonsense the others are putting across may do good."

Meetings have been held regularly in Warrington. Our report of the meeting held on October 17, says: "It was cold but we got a crowd of not less than seventy: any headway here or not. We intend to carry on, because it must be spreading the knowledge of our existence."

"Pontifex," in *The New English Weekly* (November 2), writes:—

"The following brief note is in reply to the correspondents who have during the last week or two invited me to comment on the Green Shirts. The immediate policy of the Green Shirt Movement is to organise a highly-disciplined and uniformed moral force. It follows from the qualifications made in the description of this force that the Green Shirts are likely to remain a small body. To what extent, however, in England, a political movement wearing, in considerable ceremonial, will be able to evoke a popular response, remains to be tested by experience, and is, in a sense, therefore, *sub judice*. If and when the volume of popular support gained by the Green Shirts raises them to a detail in the realm, it will become necessary to comment on their policy and their activities. At present, however, the function of the Green Shirt Movement is simply to state of affairs persists, regular comment appears unnecessary, and the news of the activities of the Green Shirts

published in their own house organs, including *THE NEW AGE*, seems quite sufficient."

That seems to us to be fair and square, and we have only five short comments to make:—

(i.) The discipline we call for and call forth is not beyond the powers of the majority of English people.

(ii.) We do not employ "a considerable ceremonial." Hardly any.

(iii.) Our function is not "simply educational." It is agitational.

(iv.) Our function is not "simply taking a picturesque edition of the Social Credit text-books to the multitude." It is agitational: to agitate for the National Dividend and the application of the Scientific Price.

(v.) We have never looked upon *THE NEW AGE* as being in any way one of our "house organs." Nor is it. It is by the courtesy of the Editor of *THE NEW AGE* that we have been permitted to publish news of Green Shirt activities week by week. Such permission could be withheld at any time. And so we do not much appreciate this little sting-in-the-tail from our friend "Pontifex," which, although it may not be calculated to make things difficult for us (and perhaps for the Editor of *THE NEW AGE*), could have such an effect.

In response to many requests we have just issued a Green Shirt Songsheet—words and music—in the form of a six-page folder containing five of the most popular Green Shirt marching songs, including "Wake, now, the Dead!" Copies can be had from 35, Old Jewry, London, E.C.2, price 1½d. each, post free. H. T. W.

## Social Credit Secretariat.

The temporary office of the Social Credit Secretariat is at Room 319, First Avenue Hotel, High Holborn, W.C.1, but overseas correspondents should continue to write to 74, Wimbledon Park Road, as a permanent office will be opened shortly.

A short statement of the policy of Social Credit will be issued at an early date by the Secretariat. In the meantime it may be emphasised that the fundamental premise of the Movement is that the object of production is consumption. Such questions as the Nationalisation of the Bank of England, which under existing conditions would merely strengthen an already too powerful institution, or the deprivation of the power of the joint stock banks to issue and recall credit, are administrative questions, a decision in regard to which, to be otherwise than detrimental, must be subsequent in point of time to the radical change in policy involved in the retransfer to the community of the beneficial ownership of credit; a change which can take place under any form of administration. A preliminary list of affiliated groups and associations whose activities are based on these premises is appended. Further lists will appear subsequently.

N.B.—The absence from such lists of any group or association should only be taken to mean that its formal adherence to these principles has not been ascertained.

A committee to deal with literature has been formed, part of whose duties will be to assist writers of new Social Credit publications with advice and criticism. It is hoped that all those who intend to publish books, pamphlets, or leaflets will make use of this service.

W. L. BARDSELY,  
Secretary Social Credit Secretariat.

### FOURTH PRELIMINARY LIST.

#### Southern Counties.

Parkstone Douglas Social Credit Study Group, Hon. Sec., V. E. Caswell, 46, Hermitage Road, Parkstone.

#### London and Home Counties.

Teddington and District Douglas Social Credit Group, Hon. Secretary, George Rees, "Varna," 2, Gloucester Road, Hampton Hill, Middlesex. Chairman, W. J. Holland, 30, Claremont Road, Teddington.

### CORRECTIONS TO LIST OF AFFILIATED GROUPS.

#### Yorkshire and Lincolnshire.

West Riding Social Credit Association, Hon. Sec., J. A. McLean, 4, Rock Terrace, Lightcliffe, nr. Halifax.

#### Midland Counties.

Stourbridge Douglas Credit Association, Hon. Sec., J. Jewkes, 173, Wolverhampton Street, Dudley, Worcs.



Symphony, as a sort of sop to Cerberus, but by this time I was in no mood for further listening.

Gieseking, Grottrian Hall, October 21.

This great artist was not quite at his best throughout this recital, which may have been due partly to the fact that the hall was not nearly full, and partly to his instrument, which was one of the worst pianos I have ever heard on a public platform, being lacking in sonority in the bass, with feeble, pinched, "tinny" tone in the middle and upper registers.

I say that Gieseking may have been slightly if not considerably irritated by the size of the audience, because to an artist of his international reputation such a sparse attendance was an indirect insult.

This may, perhaps, have been the result of the curious methods adopted by the new impresario, Mr. Wilfrid van Wyck, who never, it appears, gives tickets to anyone but the "major dailies and two Sunday papers." Whether it is of more advantage to an artist to receive two or three lines of mention in the Gutter Press—which, of course, is the last place that musical people will look for information—rather than extended treatment in a paper of standing is a point I will not labour. Suffice it to say, that if Mr. van Wyck had any knowledge of the London concert world he would realise that there is not a sufficiently large paying public to fill our four main concert halls on a Saturday afternoon, no matter what the status of the artists, and that it is far less depressing for an artist to play in a crowded hall, even though it be of "paper," than in a half-empty one. As this gentleman, I learn on credible authority, will not give tickets even to people who display his advertisements, or to artists who actually ask him to send tickets to their personal friends, it will be of some interest to watch his concert career—if any.

Gieseking played the Bach B flat Partita and three Scarlatti Sonatas with his usual bewitching clarity and incredible varieties of nuance, but his "Etudes Symphoniques" were a little untidy in places and gave an impression of uncertainty. His Debussy, on the other hand, was nothing short of miraculous, while his Scriabin Fourth Sonata was given with colossal dynamic force. But it is really time that someone gave him a little advice on his movements, which at times seriously interfere with one's concentration, as do also his snorts and gurgles in fortissimos. Mr. Gieseking should watch Rachmaninoff, whose body, even in moments of the most violent stress, remains virtually motionless.

CLINTON GRAY-FISK.

Phrenology and Divinity.

Miss Barnard, whose Mind and Brain was reviewed in these pages some time ago, has essayed in her latest work\* to analyse the Gospel-narratives relating to Christ in relation to the science of phrenology. Her plan is to enumerate the forty-two faculties, feelings, or propensities which have been empirically established as occupying definite locations in the human brain, and then to illustrate the characteristic functioning of each by citations from the acts and sayings of Christ. She does not seek thereby—as might be supposed—to interpret Christ as merely Man, and in fact prefaces her analysis with a section in which she manifests her own personal belief in the divinity of the Founder of Christianity—particularly where she discusses the import of the word "Divinity" and the subject of "Miracle Working" and "Supernatural Appearances." Thus:—

"The question arises, if Jesus was divine, how could He be tempted as frail creatures are tempted? His incarnation is less difficult to understand if we realise that the Son of God did deliberately choose to have His mind work through a material brain . . . the balanced working of which had never so far been manifested on earth. That explains how assumption of humanity was necessary in revealing God to man, and how it was possible. . . . The faculties of His human brain functioned perfectly in combination, and He stood forth Saviour of the World, the one God-man."

This quotation can be held to constitute the frame of reference in which the subsequent analysis takes place; for that analysis is intended to show, from the direct evidence of the Gospel narratives, that the mind of the Son of Man functioned in perfect balance, thus establishing His claim to be the Son of God.

Whether Miss Barnard's attempt to do this is desirable, or whether it is successful, must be left to the taste and

\* The God-Man: A Phrenological Study of Jesus Christ. By Amy B. Barnard. (James Clarke and Co. 173 pp. 4s. 6d. net.)

logical sense of the reader. No-one, however, will quarrel with the tone of the book (for it raises no doctrinal controversies), nor with the quality of the writing, which is clear and cogent in style, and artless in manner.

Perhaps her specialised knowledge is most appropriately brought to bear in the passage where she discusses various speculations about "what Jesus looked like," and the attempts by artists through the ages to portray the Figure. For, on phrenological principles, if you can assemble sufficient reliable data of any person's characteristics (and, of course, in this the whole problem in the absence of contact with such a person) you can project, if not a portrait, at least a general contour of the head and face corresponding to the type of character revealed. For instance, speaking of certain portraits of Christ, Miss Barnard remarks:—

"The heads of some of these are grotesque: one has a temporal diameter so excessive as to suggest the desirability of a prison or asylum."

Reviewing several artists by name, Bellini, she says, painted a "not impossible infant Christ." Yet the world, she concludes, still lacks an entirely satisfactory, that is, a "universally acceptable" type of portrait. She enumerates (p. 21) five specific qualifications or experiences which should be possessed by any artist who may hope to succeed at the task. Professor Severn, in his work on phrenology, complained in reference to figure-drawing in general that while most artists think it essential to study anatomy, very few seem to attach importance to phrenological craniometry, with the result that only too often a face is drawn which is irreconcilable with the head to which it is fixed; and the whole head and face irreconcilable with the type of character which it may purport to represent.

In conclusion, this is a book to which, in the nature of the case, no reviewer can foretell the reaction of any reader; so the above general indication of its nature and purpose must suffice as material for the prospective buyer's guidance.

JOHN GRIMM.

Reviews.

The Christian and the Next War. By E. N. Porter Goff. (Philip Allan. 2s. 6d.)

It would be flogging a dead horse to discuss this quite able little book on the dangers of war: the author argues from premises which are widely held, but which have always been questioned in THE NEW AGE.

London's 'Buses. The Story of a Hundred Years. By Vernon Sommerfield. (St. Catherine Press. 2s. and 1s.)

This history of the London 'bus, which has been compiled under official auspices, brings the story practically up to date, and ends with an account of the organisation of what was till recently the L.G.O.C. Mr. Sommerfield has supplied plenty of facts for the serious-minded, while the excellent illustrations will lighten the way for the less strenuous reader.

The Story of My Heart. By Richard Jefferies. (Longmans, 3s. 6d.)

One is glad to see that Jefferies' confession of faith has been republished in the Swan Library. A long extract was published in the New AGE some time ago which showed how remarkably far Jefferies went in the direction of Social Credit; the book would be worth buying if it were only to read pages 169 to 177.

Literature in My Time. By Compton Mackenzie. (Richard and Cowan, 6s.)

This is a book which has been written for a special series, and reads as if it had. It is agreeably written, excellent reading for the train-journey, but nothing more. No doubt Mr. Mackenzie's critical faculties have been dulled by his reviewing in the Daily Mail; he is at his happiest in personal reminiscence.

LETTERS TO THE EDITOR.

"A + B" AND "CONTINUOUS PROCESS." Sir,—The article by Mr. A. W. Coleman in your issue for October 26 professes to be a critique of a certain argument used in my book, The Control of Prices. I do not think Mr. Coleman is entitled to say that I "refuse to get away from the stabilised industrial condition" simply because he

chooses to confine his attention to a selected passage. It is your contributor who refuses to follow me away from the stabilised condition, and his defensive footnote does not seem to me to excuse him.

My illustration of the tanners and the bootmakers was used for the same purpose as similar illustrations have been repeatedly used by Major Douglas, namely, to exemplify the A + B theorem. If the theorem is sound the flaw which it is said to prove would be revealed by this illustration, which contains every one of the factors that the theorem postulates. To say that my point may be granted subject to the stabilised conditions of the illustration is to abandon the A + B theorem. That other arguments are advanced—or, if Mr. Coleman prefers it, other ways of starting the same argument—in support of the Douglas case I do not deny. I have dealt with some of them in my recent book, and with others in my earlier book, Money and Prices. I cannot find one argument used in Mr. Coleman's article that is not answered in one or both of these volumes; but if your contributor thinks this is not so I will endeavour point out with your consent to remedy any deficiency that he may see. Argument with Douglas is also "a continuous process."

Meantime, more than one passage in Mr. Coleman's article makes me wonder whether it is his normal practice to read no more of other people's writings than their references to Major Douglas. He wishes to confront them with "a list of the bankruptcies and capital reorganisations of the past twelve years or so," and refers to the "alternate booms and slumps" by which industry progresses. Does he suppose that all other writers are baffled by these facts? Does he not know that everybody concerned with the problem attempts to explain them? Your contributor may be able to show that their explanations are unsatisfactory, but he is not entitled to assume that they have offered none.

Perhaps I may take this opportunity of replying to Mr. G. H. Gladstone's inquiry. The passage from W. W. Jacobs he mentions gained fresh currency (or would it be better to say that its velocity of circulation was increased?) It opens the short story entitled "An Odd Freak," and runs:—

"Speaking o' money," said the night watchman thoughtfully, as he selected an empty soap-box on the wharf for a seat, "the whole world would be different if we all 'ad more of it. It would be a brighter and a 'appier place for everybody." I cannot help suspecting that the inclusion of these wise words saved my book in some cases from being passed over by reviewers without a second glance.

AUGUSTUS BAKER.

GREEN SHIRT ACTIVITIES.

Sir,—As there is a question of wide interest involved in Mr. Cainer's letter in last week's issue, may I beg a little more space to support my letter published on October 19? As far as Mr. Cainer's letter concerns me personally, I will only say that every statement of my previous letter is true and justifiable. But other matters ought not to be passed over so lightly.

When I paid tribute to the "S.C. enthusiasts who for years have struggled on against overwhelming odds," I thought I had made it quite clear that I had no wish to belittle the work that has been done by men outside the Green Shirt Movement. I did wish, however, to broadcast the lesson that my experience has taught me, namely, that the Green Shirt Movement is incomparably superior to other forms of propaganda in bringing the S.C. gospel to the people. Therefore I did state, and feel compelled in the interests of the Leeds D.S.C.A. "nothing further happened."

It is significant that the current issue of This Prospect omits mention of the Leeds D.S.C.A. in its section on "D.S.C. Intelligence," although previous issues published the title of the society and the name and address of its secretary, but no report of activities. When I state that the Leeds D.S.C.A. has not met since Lord Tavistock's meeting on November 9, 1932, I do not wish to cast aspersions on any member of that society. As one of the promoters of the Leeds D.S.C.A. I must share the responsibility as much as anyone, and I fully realise why the society has not met for the twelve months. All S.C. activities in Leeds, apart from the large public meeting on November 9, 1932, have been carried on by individuals on their own account (until the Green Shirts appeared), and after last November there appeared to be no further raison d'être for the Leeds D.S.C.A., apart from providing an opportunity for members to tell one another what each one was doing. Therefore, I fail to understand how Mr. Cainer can speak

for "all members of his society," or what was the purpose of his letter.

Major Douglas has warned us that there is no time to waste; therefore I would warn all young S.C. advocates against forming themselves into inactive associations, and would urge all who, like Mr. Cainer and "all members of his society," "endorse the policy of the Green Shirt Movement" to enrol as Green Shirts or associate (non-uniformed) members.

A Green Shirt section meets several times per week. At Bradford eight election meetings have been attended in ten days, and Social Credit was brought to the notice of the public at each meeting without cost to the movement.

In your issue of October 26 Mr. Bean misquoted a sentence from my letter, and by omitting the word "activities" he spoils the sense altogether. Green Shirts are distinguished and justified by their "activities"!

W. TOWNEND.

[We hope that no one will want to carry on this correspondence unless to correct any important inaccuracies in Mr. Townend's letter. As we pointed out in a footnote to a previous letter, the proposition moved, so to speak, by the original letter, was to the effect that the Green Shirts' pageantry and activities frustrated their own objective. The centre of the criticism was that shirts bred suspicion by indicating dictatorial aspirations behind Green Shirt policy—aspirations corresponding to those being worked out in Russia, Italy, and Germany, thus hindering the mobilisation of mass-pressure for Social Credit.

We pointed out in the footnote referred to that the policy of trying to mobilise mass-pressure was not in question, and that, therefore, discussion of it was out of order. Under this ruling Mr. Townend, by suggesting that Green Shirt activities are more efficient than no-shirt activities, appears to us to be on the edge of irrelevancy, because the comparison made in his criticism presupposes that the policy of the no-shirt groups is the same as that of the Green Shirt groups. It is, of course, open for the Green Shirts to say that the "green" is the better, or even that it is the only one that will lead anywhere; but not in a debate limited to the examination of "green" activities in relation to "green" policy. Nor would it be relevant for a no-shirt supporter to argue that Green Shirt methods frustrated a no-shirt policy, or vice versa. It stands to reason that if anyone objects to either of the two policies he will not like the set of activities used to implement it.

The conflict which underlies the correspondence seems to require a definition of what an "activity" is, and a criterion by which to assess the value of any given activity. A derivative question also arises, namely, "Are only these activities of value which can be recorded in a journal open to the inspection of the enemy?" If not—if some of them should not be disclosed—then obviously it is futile to compare in the journal the recorded activities of two different groupings of Social Credit supporters. The evidence would be incomplete, and conclusions drawn by listeners-in misleading. —Ed.]

Sales Tax Warrant.\*

[The following is a transcription of the "Third Schedule" of an official document sent us by a correspondent in New Zealand.—Ed.]

In pursuance of the Sales Tax Act, 1932-33, you are hereby authorised to enter by day or night, and whether peaceably or by force if need be, any building, house, premises or place in which you have reasonable cause to believe or suspect that there are any goods on which Sales Tax has become due and payable and is unpaid, or any goods in respect of which an offence has been committed against the Sales Tax Act, 1932-33, or any books or other documents relating to any such goods, or any books or other documents containing information that may lead to the recovery of any moneys under the said Sales Tax, and to search any building, house, premises, or place so entered, and there to break open and search any chests, trunks, packages, or places in which any such goods, books, or documents, may be or be supposed to be; and, on any such entry, to seize any, carry away any goods which are subject or which there is reasonable cause to believe or suspect to be subject to a charge for Sales Tax; and in so acting you are hereby authorised to take with you and have the assistance of any officer of police and such other assistants as you deem necessary. For all which this shall be your sufficient warrant.

Given under my hands and the seal of the Customs, this day of.....19.....

COMPTROLLER OF CUSTOMS.

\* Reference, 1932-3. No. 33, 23 Geo. V.

## THE "NEW AGE" CIGARETTE

Premier grade Virginian tobacco filled by hand in cases made of the thinnest and purest paper, according to the specification described in this journal on January 23, 1930.

Large size (18 to the ounce). Non-smouldering.

Prices: 100's 7/6 (postage 3d.); 20's 1/6 (postage 2d.)

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## Social Credit Reading Course

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Social Credit Principles (1d.).  
Post free 6d. the set.

### SET B.

Comprising:—

Set "A" above.  
The Veil of Finance (6d.).  
Post free, 1s. the set.

CREDIT RESEARCH LIBRARY, 70, High Holborn,  
W.C.1.

## The Social Credit Movement.

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

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

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