# THE

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 I.—ED.]

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

T. 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 bene-sound?

5. Granted the object and the soundness of the To Granted the object and the soundness of the countries found his policy affect the interests of other countries for the worse? countries for the better or for the worse? 6. If for the better or for the worse: tingency?

the Bank of England to prevent or mitigate external

(and/or others) to do about it? If not, what ought the British Government Another question comes into the discussion, namely:

United States can acquire gold from other countries? What is the financial technique by which the

All these questions are apparently more or less in the readers lies in the statement that the operations of the Reconstruction Finance Corporation would cause than the statement of the United States and the States are the construction of the United States and the states are the construction of the United States are the construction of the thany awkward problems both for the United States for awkward problems both for the United of other countries " if conducted independently; the other countries is if conducted in collaboraon the other hand, that, if conducted independently with the other hand, that, if conducted in collaborations the conducted in collaboration that the conducted independently with the other hand, that, if conducted independently with the other hand, that, if conducted independently is conducted independently the conducted independently is conducted independently in the conducted independently in the conducted independently is conducted independently in the conducted in collaboration in the coll with other hand, that, if conducted in collaborative the Central Banks, the exchanges could be pression, reveals the hand of the financial expert. The

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.

"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 to 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 "... . . . 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." . . 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 wardance 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!

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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 cooperation 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 inplication, to the danger of allowing him to develop it at all or at a dvice at all, or, at any rate, to do so without expert advice and assistance in its administration. One bouquet deserves another; and it is fitting that whereas, at the famous Letes China it is fitting that whereas, and famous Lotos Club dinner, Viscount Astor was good enough to express the hope that whenever Europe got into difficulties Mr. Co. into difficulties Mr. Owen D. Young would be sent over to help her out to help her out, now that the United States is in diffi-culties it would not state it wo culties it would seem the appropriate thing for (shall we say?) Sir Otto Niemeyer to pay a visit to Washing ton on a similar mission. ton on a similar mission. So long as the universal fundamental axioma of sions as the universal fundamental axioma of sions as the universal fundamental axioma of sions are left. mental axioms of the existing financial system are left out of sight Sight out of sight, Sir Herbert Samuel's reasoning cannot be impugned and the impugned, and the conclusions at which he arrives will, in the end be in a conclusion of the disinin the end, be independently subscribed to by disinterested states. terested statesmen everywhere.

For instance, he criticises some remarks made by Gen-al Johnson, the k eral Johnson, the head of the National Recovery Administration, in an address in New York in September.

"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 going to the output of the plant. What is it that makes mer the output of the plant. What is it that makes mer chants fill their shelves? Confidence that people are going to empty them."

than a short-term factor. After a while cold economics takes the matter in hand. Is trade in fact ing the output of the plant? Are people in emptying the merchants' shelves? In America to division to so clear that they are.

This sort of arguing is only too easy, and this sort of appeal to facts only to appeal to facts only too safe, when the disputants leave the factor of credit out of the factor of credit out of account. Notice that General Johnson is indicted for Johnson is indicted for using an argument which bankers shout for bankers shout from the housetops when it suits them.

In Australia they explicitly the collapse has In Australia they explicitly attributed the collapse of trade to the lack of confidence caused by the function and policies of Mr. Lang and Mr. Theodore, tainty and fear can contract trade, why should not contract tra why are not pessimistic factors similarly brief in the factors? If hope can exercise similarly month, why the duration? If hope can create fear in a month, why The fear last for thirteen fear last for thirteen years without creating hope?

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 into circulation into circulation. come into circulation, but simply that it hasn't done so 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 be discredited and deposed." Sir Herbert offers no advice as to what President Roosevelt can do about it, but he drops a high 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 of all, with proper honesty, set themselves to repay the data 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 as to hint that one cause of the lag in demand, as well as to hint that no honest Government would seek to prevent or arrest its operated by the seek to prevent or arrest of it will be its operation. The underlying significance of it will be appreciated. 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 would be would be all persons of intelone would suppose should occur to all persons of intelligence. For ligence—especially unsophisticated intelligence. For instance based on the stance of the Instance, having in their minds, as they probably would, a picture of private creditors, a picture of private debtors paying off private creditors, they could y could easily ask themselves why these creditors have not bought new things for themselves with the money which the dark things for themselves with the money things for themselves with the dark things for the dark things for themselves with the dark things for the dar which the debtors refrained from using to buy new things themselves. After all the private creditors are citizens of the United States, and are just as susceptible as others. "Buy-now" as others to the United States, and are just as susception others to the stimulus of the strident "Buy-now" Again, by propaganda sweeping through the States. Again, by assumption assumption, they had not expected repayment; so that it takes place the money is a windfall: and if you not spent may mustn't spent a windfall on yourself what on earth may they would on yourself? Lastly, even supposing that they would be would be buy more things would normally not choose to buy more things lust because they had more money, why are they holdwhich everybody is being told to expect? Granted that on to it in the face of the prospect of higher prices are all congenital savers, it should nevertheless clear to them that when prices are going up spendis saying—and as plenty of Germans and Austrians testify testify, the only way to save. Such would be the ctions of ections of an ordinary observer if he accepted the pothesis as being near the truth, and he might get idea of petitioning the National Recovery Administraon to assume powers of collecting debts from debtors on the latter, not in behalf of assume powers of collecting debts from debtors of the creditors, and of paying the latter, not in the creditors, and of paying the latter, not in the creditors. loney, but in certificates entitling them to requisition within a certain for the certificates entitling them to require themselves from the shops within a certain and the after which the certificate would expire, and the which it carried would be transferred to less obtuse unpatricities. unpatriotic people who needed things for them-sort being it far-fetched to imagine something of sort being done if the problem were, in fact, a merel of the problem were creditors merely of bringing refractory private creditors

to heel. But the problem is not that at all. 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." 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

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 passbook 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. 2/5

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. 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

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ale 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 a position to implement Social-Credit principles without being hampered by foreign interference.

We have just space to notice the emergence of Professor [November 4, 1933.] E. W. Kemmerer onto the scene. He is quite a stranger, but we remember him well, and have some interesting the interesting things to say about him. Quite briefly, he was the same the same about him. 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 of 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 should plant the people with problematical borrowing powers in exchange for their good hard cash. As we have shown the have shown, the technical consequence would be (and was) the discourse t was) the disappearance of the cash out of circulation.
We hope to doubt the cash out of circulation. We hope to deal with this old ramp in more detail as the contemporary the contemplated new ramp develops—for Professor Kemmerer has begun by asking the Chamber of Commerce of the State of t merce of the State of New York to recommend early return to the gold standard, and an immediate commitment of the Control of mitment of the Government to do so." (The Times's New York courself.) New York correspondent—cable published November 4.)
Things are beginning to warm up in both the technical and political sphere. and political spheres of action, and our Social-Credit friends on the call 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 even 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 acknowledgmen take? Three characters are found to the acknowledgmen for the characters are the characters and the control of the characters are the chara take? Three cheers for the Government, and four for the League? Or a vote for "Labour"? Or a strike by Civil Servante?

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

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

#### 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, ally 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 in fluctuations and are distributed in fluctuations and are distributed in fluctuations. 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 an accept the second plan. it as sound, but when a proposition attracts so many converts it is the duty of every intelligent citizen to know at the converts it is the duty of every intelligent citizen to know at the converts it is the duty of every intelligent citizen to know at the converts it is the duty of every intelligent citizen to know at the converts the conve know at least its character and we should hold that it is certain is certainly the duty of members of Parliament to understand it."

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

## Debates and Chairmen.

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

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

This is the stuff, what?! The strategy is first-rate, and yet is free Mr. Fyffe, in is free from any element of cunning. Mr. Fyffe, in andicapping the Silverstream Branch at top weight, so the meeting in the favourite for the debate whether meeting in the favou meeting is held or not. And he can do it without because of a dialecbecause whatever the immediate issue of a dialectussle, by tussle between debaters on the inner technique of hance and accounting, the ultimate test is, as it must ways be, whether the theoretical conclusion reached the debracker the theoretical conclusion reached hside 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 votecounting 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-

<sup>\*</sup> 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: "(I) If what appears to be a quite cautious policy of 'inflation' that Japan has embarked on is to cul-minate 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 'inflating' 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

"The conclusions we come to, then, are that if (I) or (2) come to pass, still higher commodity prices are likely to be seen, in the case of (I) 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 halfdozen 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 Banks, loaded with their chains of gold, become agents of what is essentially a foreign power in occupation of a con-quered territory." (p. 107.)

"The Money power, in short, which had caused the Revo-lution in France, and which, later, had destroyed the Assig-nat, 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 and without interey, leading the class, man against man. He against nation, class against class, man against man. He gained knowledge about the sums spent by Money in subgamed knowledge about the state spent by money in sub-sidising 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 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

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 Computer of the Compute Association, and the Green Shirts were thanked from 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 be a seven to eight hundred people gathered to be a seven to be seven to people gathered to hear the Preston and Blackburn Section leaders. leaders. On the following Sunday, however, they were "rained off," and owing to the bad weather a small meeting was held in the Br. 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. ing 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 Milh Square was thronged with people awaiting our arrival. With the exception of a single bellier and the start of the exception of a single bellier of the start of the sta the exception of a single bellicose Communist our receptions was excellent was excellent, and a crowd of about 400 listened keenly and attentively. As we marched smartly away after the meeting however, there however, there were two or three men shouting that were 'b were 'b—— Fascists!' etc., despite our very definite

The Preston and Plants.

The Preston and Blackburn Green Shirts have decided hold open air meetings. 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 evening.

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

"At each meeting several questions were asked, and

"Thursday evening (October 26) was typical: eight men in uniform marched into the election meeting quietly through the candidate's speech, and when the chapter man asked for questions. man asked for questions, a Green Shirt jumped up straiglas away and asked: Is the candidate a supporter of Douglas Social Credit? The reply was that the question had not local significance. Other questions were:

"Has the candidate amount of the local significance of the candidate are supported by the candida

"' Has the candidate any proposals for dealing with under the candidate any proposals for dealing with men out of world?"

"' Is the candidate in favour of the distribution of the ational Dividend?' men out of work? National Dividend?

"' How does the candidate propose to reduce the same of the banks?"

£21 million debt owing by Bradford to the banks?"
answer was—' out of the rates.') "' Has the candidate any suggestions to make on abolition of poverty in the midst of plenty? "'
Section Leader Townson

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

Section Leader Townend jumped up and spoke out in a

loud voice:—
"Mr. Chairman, you refused to allow me to put a ques-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 heat the hall, and, after some little hesitation and consultation on the platform, the question was allowed. Section Leader

"I have listened patiently to the Financial Expert's ex-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 home. ways, houses, or gasworks—but they are vitally interested in having sufficient money to ride on the trams, to live in the housest of the control of the cont 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

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:—

other evening, a newspaper seller shouted out, 'Good luck, Good luck to the Green Shirts! They're our lot!'"

At an open-air meeting held at Mornington Crescent a there had ever been "a successful uniformed insurrection "Yes, Oliver Cromwell did it!" and the Green Shirt uniformed in this country."

And Hampden's men wore green. One of the most successful open-air meetings was held speaker most Square, Manchester, on October 22. The Ward and O'Neill. Our report says:—

difficult All our copies of Attack! were sold without

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

Meetings have been held regularly in Warrington. Our cold of the meeting held on October 17, says: "It was and held them; a crowd of not less than seventy.

The headway of the cannot say whether we are making the headway. headway here or not. We intend to carry on, because the spreading the knowledge of our existence."

Pontifex," in The New English Weekly (November 2),

The following brief note is in reply to the correspondents have during brief note is in reply to the correspondents we during brief note is in reply to the correspondent the during the last week or two invited me to com-Shirt More Shirts.' The immediate policy of the irt Movement is to organise a highly-disciplined Movement is to organise a highly-disciplinated moral force. It follows from the qualificate in the description of this force that the Green likely to except the description of this force that the Green the likely to be a superficient to the description of the likely to remain a small body. To what extent, in Engl. in England, a political movement wearing, in badge or a tie, a fulluniform, and employing a badge or a tie, a fulluniform, and employing a remains to be tested by experience, and is, in a apport, sub judice. If and when the volume of the gained by the Green Chiefs raises them to a support gained by the Green Shirts raises them to a their policy and their activities. At present, however, the realm, of the Council of the function of the Green Shirt Movement is simply hal ton of the Green Shirt Movement is simply taking a picturesque edition of the affairs Dersian to the multitude. As long as that of affairs persists, regular comment appears unneces-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 stingin-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

In response to many requests we have just issued a Green Shirt Songsheet-words and music-in the form of a sixpage 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 11d. each, post free.

#### Social Credit Secretariat.

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

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 .he 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 subse-

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. BARDSLEY, 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.

#### Questions and Answers.—IX.

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(Contributed by the Credit Study Group from their correspondence.)

During my studies of the Douglas Theory, I am still puzzled to know exactly what costs should be included in the price of a finished article, and what costs should be left out to be met by new State money: in short, what should come under A costs and what under B. As cost accountancy is a vital element in the Douglas Scheme one cannot afford to be uncertain about it. Here is a rough statement of the accounts of a manufacturer cum merchant firm, with all the usual outgoings of such a concern. I wonder if you would be good enough to draw up another set of accounts, using the same figures, but drawn up on a Douglas model. In my accounts there is nothing about "Capital Expenditure," and the sales are all of consumable goods.

Regarding your question as to what costs are to be included in the price of a finished article, and what costs left out, the reply is that all costs should be included.

The division of payments into groups A and B is a mechanism to demonstrate that consumers as a whole have not at present sufficient incomes to pay the whole costs of industry. When it comes to a scheme of correcting this deficiency it is unnecessary to ask producers to decide which are A and B costs Producers are asked to collect from the public an amount which the public are able to pay, and the remainder of producers' costs are made up by a price discount factor, or sales assistance scheme. The method of compiling this factor is given in the text books.

The only alteration which might be made in your statement of accounts would be on the credit side of the trading account, which reads: "By sales £64,000." This might well be put:

By Sales By Just Price Discount ...... 16,000

assuming that the factor Consumption Production was three-quarters for the period over which your accounts apply.

Your reply leaves me puzzled. The gravamen of the Douglas Theory surely is that the cost accountancy of industrial concerns is at fault, and it is asserted that the B payments made by any given concern cannot be recovered from the consumer. The inference is that these payments should not be charged in costs. I quite follow the plan of the Price Discount, i.e., that if total consumption equals three-quarters of production, then the retailer (not the wholesaler) deducts one-quarter from the price and is reimbursed by the State. But I do not see the connection between these two procedures, i.e., what has this discount-arrived at by consumption + production—got to do with a false accountancy. Is the discount supposed to be equal to B payments?

It is not correct to say that the gravamen of the Douglas Theory is that the cost accountancy of industrial concerns is at fault, but rather to say that the method of issue and recall of the national credit, taken in conjunction with the cost accountancy of industrial concerns, produces an error which requires correction. That error is described in the A plus B Theorem, which, if you will remember, finishes up with the statement that a portion of the product at least equal to B must be distributed by some form of purchasing power not included in the descriptions grouped under A within the narrow frame of reference of your enquiry it appears, therefore, that either the financial system requires adjustment or else the cost accountancy of industry requires adjustment. The problem, therefore, becomes in some way similar to that propounded by the celebrated clown Grock, who was puzzled as to whether it was more useful to move the grand piano within the reach of the piano-stool or the piano-stool within reach of the grand piano. Since the gap between purchasing power and prices is caused by certain other factors besides the A plus B Theorem itself, the business of altering the costing system would be immensely com-plicated, but the business of arranging the issue and withdrawal of credits in such a way that a portion of the product at least equal to B can be sold by means of purchasing power not included in the descriptions grouped under A is simply dealt with by means of a conjunction of the Just Price and the National Dividend. Thus you see that where you say that the inference is that these (B) payments should not be charged in costs, you are leaving out of consideration the equally valid inference that the consumer should be placed in a position to meet the B costs in industry by means of an issue of credit which does not pass through the costing system. The constructive proposals of Social Credit are based upon the second inference.

#### Elementary Disquisition on Freedom. By " Power Engineer."

" Freedom is essential to efficiency," but freedom has been variously defined. There are probably as many definitions of it as there are cures for toothache, I should define it as the right of a man to the use of his own skin, plus the power to act in accordance with the shape of his own head. Does this then mean that the individual must be a law unto him self? Most certainly it does, and I have no doubt whatever about it, for, if after a period of tutelage I am afraid to apply the knowledge and trust the inspiration of the day in which I live, then am I a slave, or what is perhaps worse, a sycophantic winner of bread.

Fear is the thief of freedom. Nay more, it is the assassin-Perfect trust by a man in himself casts out all fear. This is the highest quality of all trusteeships, that a man should trust himself. It is the safest of all securities. It can be neither bought nor sold, neither can it be plucked from the hand. Its value is not assessable in money, therefore, being without money, it is also without price.

A man lives within the limits of his own skin. That is his estate. He acts according to the shape of his head. That is the limit of his is the limit of his power. He is a power unit, and like every other power unit known to human scholarship and research, he has a defair. he has a definite inherent characteristic which as to amb can be plotted, and as to orbit, measured, but as to limits, a present, unknown. His bodily substance is part of brotating Farth rotating Earth, and as such, he is subject to her revolutions, his strength heirs. his strength being renewed in the darkness of sleep, duration of his somatic existence is only limited by his power to recist a heart to beat and to resist a hostile environment, not by his power to beat and count time in terms.

"All that a man hath will be given for his skin," suiton the saturation of destruction the integrity of an honest man in the drama of Job. But nature has valuable investments in the skin of a man, and it is not now his any to the individual. a man, and it is not now his own to give. The individual must keep it as a trust into the sound to give. must keep it as a trust intact. He is Nature's ultimate p must keep it as a trust intact. He is Nature's ultimate plus duct. His skin is her seamless robe. The dome of his skin is the limit of her building. She can get no higher without his co-operation and willing consent. His bodily displatement is the limit of her power to keep his feet on the mature. Being the ultimate product of counts law the mature.

Being the ultimate product of natural law, the maindividual must be a law unto himself, for against him to can be no law. If otherwise, the ultimate would be than the semi, which is intellectually absurd, therefore possible. possible. All the lines of intelligation in the universe, cal, horizontal through the human cerebellum where ceaseless energy builds up form and reproduces cultured the series of the serie up form and reproduces substance in every variety, as womb reproduces the management of the management

To know these things is a great responsibility, specially to the responsibility. especially to the male individual, since nature has jet in him the power of variation and initiative, as in the the power of each state. the power of conservation, purity of the cerebellum is fore as imperative as purity of the womb. The forthe vehicle of the light that lighteth every man that a still generate the world. into the world To act upon these things is a still green responsibility, for it involves a claim to equality with Deity of Hebrew culture, and looks like a usurpation power to create and destroy. power to create and destroy willy-nilly the destiny of kind, a power hitherto believed to reside outside the

If, however, a pair of mature humans represent in the selves a closed cycle of ultimate products, then Nature nothing more to give than the man and his skin, and power is given unto him. Let it be repeated then than power is given unto him. Let it be repeated then then feet trust of a man in his own inspirations, as a wohld essential. her intuitions, is necessary if the coming freedom we essential, is to be a second to make essential, is to bring about the development to make efficiency of the create-motive forces available to the

An investment in this freedom will yield the greaturns, for the reason that it carries with it the greatures.

# GROUP FOR TEDDINGTON DISTRICT.

Will those interested in the formation of a group in strict communicate at the formation of a group in the strict communicate at the formation of a group in the formation district communicate with Mr. George Rees, Nara, 2, cester Road, Hampton Hill, Middlesex. A nucleus members already and that other members already exists, and it is hoped that other porters of Social Credit will join in with them.

#### The Films.

"Christopher Strong." Directed by Dorothy Arzner. General Release. "Morning Glory." Directed by Lowell Shermann. Coliseum.

Both these productions have been devised to exploit the personality of Katherine Hepburn, the young actress unknown to English audiences until her first film, "A Bill of his Divorcement," was shown in London in February. Of Miss Hepburn I wrote at the time that she justified much of the praise heaped on her by the publicity department of Radio Pictures, but that she was unfortunately afflicted with a voice of so harsh and unpleasant a timbre that it nearly drove me out of the theatre. It was, in fact, a voice that baffled all description. The affliction persists in "Christopher Strong," where Miss Hepburn is also made to shout as though to drown the noises of motor car and aero engines that form so large a background to the picture. But while the excellence of her acting and of the picture. But wine the excellence of her acting and of the picture itself made. A Bill of Divorcement "one of the outstanding films of this year, "Christopher Strong" is fustian. It has been adapted from Gilbert Frankau's novel, and is true to the assumary Frankau formula of sex, snobbishness, and society." Only helf with could be interested in these artificial and anæmic amours of the idle rich; the characters and sind sind anæmic amours of the idle rich; the characters and situations have the reality of a kitchenmaid novelette;  $Z_{0e}$  Adlains, have the reality of a kitchenmaid novelette; and situations have the reality of a kitchenmaid novelette; Zoe Adkins's dialogue is a miracle of banality, being largely composed of such scintillating epigrams as " have a cigar-borothy Arzner is Hollywood's only female director seems stances unfair to judge Miss Hepburn's uninspired performance too harshly and it only remains to add that that ances unfair to judge Miss Hepburn's uninspired perturn ance too harshly, and it only remains to add that that talented actress, Billie Burke, is given a role in which she can do north. can do nothing but whine, and that Colin Clive, in the name part, makes 1

part, makes love with the fire of a piece of dry timber. Morning Glory " is very much better. Its plot is our venerable friend, the young woman from the provinces, who a great actress and with the burning ambition to become a great actress, and does so in the last reel by taking the last before the temperamental leading lady who "walks out" lust before the curtain goes up on the first night. The theme is seasoned with a factor of originality, but it seems seasoned with a few dashes of originality, but it seems a little with a few dashes of originality proprietor and its a little too much to expect that the proprietor and hard ger of a Naw Volume to expect that the proprietor and the state of the sta hager of a New York theatre should not have the faintest of a New York theatre should not have the rannest however, must stand or fall by Miss Hepburn, and on whole it stands. whole it stands. She has not only largely sandpapered voice which it stands. voice—which is now no more distressing to sensitive ears voice which is now no more distressing to sensure than that of most American film actresses, and definitely less district most American film actresses, and definitely less district most American film actresses, and definitely less district most American film actresses. hitely less distressing than that of a good many—but she was gives an intelligent and sincere performance in high comedy is blended with intensity. Her acting riety to in which she passes in a few minutes from possession to be able to recite Hamlet's soliloquy, and saled, "Morning Cl.," "Romeo and Juliet" is masterly. scene in which she passes in a few minutes from to interior to enough Morning Glory "confirms a faith that was badly ken by Christopher Strong.

rest of the cast. Douglas Fairbanks, junior, is less factory than in any film of his I can recall, and Adolphe wrecks bit in the cast. ou wrecks his big moment by a perfect imitation of the lete and emotionless oaf. The two ladies of the theatre names, I regret, have escaped me—are too stagey, edirectors. bad production blemish is also that Miss Hepburn's, of the two Shall production blemish is also that Miss Hepburn's, irector intended this as caricature, he has overdone hearly drowned, by continuous incidental music. But hopeless to try and make producers realise that orchestral accompaniment, as it is to make them realise avel films would be greatly improved if they were not with a hundred be greatly improved if they were not with a hundred be greatly improved if they were not as a hundred be greatly improved in the second ed with a hundred per cent. commentary of wisecracks.

Morning Glory "should be seen for the sake of its star.

#### News Reel.

boots, has its first public presentation in England at the first p

w form, and at the reduced price of a shilling, and Quarterly is more than ever excellent value. sted in the contemporary cinema at its best, in the ally in the contemporary cinema at 100 liv in the work of Continental studios, can afford bubble of Continental studios. Rotha are among the contributors to the current Pton Sinclair writes me that Eisenstein's "Thunder Over

Mexico," which he and his friends financed, has had a successful fortnight's showing at the Rialto, New York. The film has not yet been seen in England, but criticisms have been published here to the effect that it was badly cut and edited. Concerning this charge, Mr. Sinclair says that Eisenstein was recalled to Russia by the Soviet Government before the picture could be edited, and that efforts to have the cutting done in Russia were unsuccessful, but that it was cut in Hollywood "in exact accord with Eisenstein's scenario." There the matter must rest pending a reply by the director, or the opportunity of seeing the film in this country. DAVID OCKHAM.

#### Music.

#### Royal Philharmonic Society, Queen's Hall, October 19.

The second concert of the Philharmonic Society was singularly unsatisfying as regards both the programme and the greater part of the performance.

A newly discovered "Sinfonie in D" by Polaci, an eighteenth century composer of whom we know little, proved to be a very tame and uninspired affair, though it obviously suffered from the champion heavy-weight methods of Mr-Albert Over-Coates. We were next given the first performance of Cyril Scott's Symphonic Poem, "Disaster at Sea," which, however, was disastrous in quite other senses than those intended by the composer. Mr. Scott has here endeavoured to depict the tregedy of the "Titanic". least that is what one must assume from the copious pro-

From every standpoint such a work is foredoomed to failure. In the first place, it is not the province of music to depict, and no first-class piece of music relying on purely or even mainly pseudo-pictorial properties has ever been written. Occasional allusive special effects, such as the "cuckoo third" in Delius's "On Hearing the First Cuckoo in Spring " or certain passages from Saint-Saëns's " Carnival des Animaux " are feasible and effective, or relatively war des Animaix are reasine and elective, or relatively short works such as Honegger's "Pacific 231" and Mossolov's "Music of the Foundry" that are avowedly "realistic" may be highly diverting, though they are bound to possess little artistic value.

We were told by the programme annotator that "A Symphonic Poem must of necessity be based upon a judicious mixture of impressionism and imitativeness,' this case the latter element greatly outweighed the former, and Mr. Scott's constant recourse to frankly onomatopæic devices soon became tedious.

In other words, imitational music can never remotely approach in effectiveness the object of imitation.

Mr. Scott, however, had evidently aimed higher than this, but his achievement, unfortunately, did not coincide with his intentions, and at no single point in the work was one conscious of the overpoweringly tragic element which, of course, should have been the sole raison d'être behind

Further, Mr. Scott appears to have been pre-occupied with some moral to be drawn from the catastrophe, for the crash was preceded (according to the annotator) by an attempt to portray in detail "that atmosphere of frivolity, pleasure-seeking, idleness, and luxury characteristic of life on an ocean liner ": in this case, one can only say that it seems a very questionable procedure, from a moral standpoint, to exploit such a disaster for the sake of creating a musical sensation. Mr. Scott, indeed, has written at length on the influence of music on history and morals throughout the ages, and one is therefore bound to ask precisely what moral effect he imagines that music of this order is likely to produce. He has also stated that his later works are not so much composed as dictated from occult sources, the result of which is, that although one has every sympathy with the occult or Theosophical viewpoint, Mr. Scott's music does not tend to inspire confidence in the musical abilities of the denizens of the Higher Planes. The "Disaster," in fact, despite some ingenious orchestral writing, belongs to the same genre as Beethoven's "Battle of Vittoria," or the various organists' "Storms," which are meant to be impressive but are merely amusing, save perhaps to very naive listeners. We were then given Strauss's "Burlesque " for piano and orchestra, which was diluted Brahms and nothing more, and subsequently Honegger's Concertino, which turned out to be baby jazz prattle. In both of these works Gieseking was the soloist, whose great gifts were entirely wasted. It was also a pity that he used a pianoforte so lacking in the sonority essential to playing

with an orchestra. The concert concluded with Tschaikowsky's Fourth

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

#### Gieseking, Grotrian 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 informationrather 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 Soriabin 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-"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

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

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" (p. 21) sally acceptable "type of portrait. She enumerates (p. 21) five specific. 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 craniomery, with the with the result that only too often a face is drawn which is irreconciled. irreconcilable with the head to which it is fixed; and the whole head and the head to which it is fixed; and the whole head and face irreconcilable with the type of character which it may be a superior which it may be a superior with the superior with 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 so the above general indication of its nature and purpose must suffice as material for the prospective buyer's guidance.

#### Reviews.

The Christian and the Next War. By E. N. Porter Goff.

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. 25. and 18.)

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

The Story of My Heart. By Richard Jefferies.

One is glad to see that Jefferies' confession of faith been republished in the Swan Library. A long extract well been republished in the Swan Library. A long extract published in the New Age some time ago which 5 ocial how remarkably far Jefferies went in the direction of only to Credit; the book would be supported by the long time ago. Credit; the book would be worth buying if it were M.

Literature in My Time. By Compton Mackenzie, (Rich and Cowan, 68)

This is a book which has been written for a series, and reads as if it had. It is agreeably written, cellent reading for the train-journey, but nothing been not have the nothing been nothing to have the nothing have the nothi This is a book which has been written for a

# LETTERS TO THE EDITOR. "A + B" AND "CONTINUOUS PROCESS,"

Sir,—The article by Mr. A. W. Coleman in your issue.
October 26 professes to be a critique of a certain argument of the coleman in your argument of the coleman in your argument. used in my book, The Control of Prices. I do get Mr. Coleman is entitled to say that I "refuse to get from the stabilised industrial condition"

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.

NOVEMBER 9, 1933

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 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 denote the collection of the Douglas case I do 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 your contributor thinks this is not so I will endeavour with your consent to remedy any deficiency that he may point out. Argument with Douglasites is also "a continu-

Meantime, more than one passage in Mr. Coleman's article makes me wonder whether it is his normal practice to read to read no more of other people's writings than their references to M. ences to Major Douglas. He wishes to confront them with a list of the bankruptcies and capital reorganisations of 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. 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 mentions gained fresh currency (or was increased?). better to say that its velocity of circulation was increased?)

Many and Prices. being printed as a foreword to my Money and Prices. opens the short story entitled "An Odd Freak," and

Speaking o' money,' said the night watchman thoughtfully, as he selected an empty soap-box on the wharf more of it. It would be a brighter and a 'appier place for its life would be a brighter and a 'appier place for its life would be a brighter and a 'appier place for inclusion. tweybody. It would be a brighter and a 'appier place for of these wise I cannot help suspecting that the inclusion bein wise wise I cannot help suspecting that the inclusion bein these wise I cannot help suspecting that the inclusion bein these wise I cannot help suspecting that the inclusion bein these wise I cannot help suspecting that the inclusion is the second that the second tha being passed over by reviewers without a second glance.

Augustus Baker. I cannot help suspecting that the most gas wise words saved my book in some cases from passed words saved my book in some cases from

GREEN SHIRT ACTIVITIES.

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

When I paid tribute to the "S.C. enthusiasts who for the have have been a paid tribute to the "S.C. enthusiasts who for the have been been also be struggled on against overwhelming odds," I t I had made it quite clear that I had no wish to bework that has been done by men outside the Green vement. I did wish, however, to broadcast the t my experience has taught me, namely, that the hirt Movement is incomparably superior to other probability incomparably superior to other propaganda in bringing the S.C. gospel to the Therefore I did state, and feel compelled in the inthe S.C. Movement to repeat, that, after the for-the 1. the Leeds D.S.C.A. "nothing further happened." significant that the current issue of This Prosts mention of the Leeds D.S.C.A. in its section C. Intelligence," although previous issues publicle of the control of the cont ittle of the society and the name and address of y, but no report of activities. When I state that D.S.C.A. has not met since Lord Tavistock's on November 9, 1932, I do not wish to cast asperately. I member of that society. As one of the promoters nust share the responsibility as much and I fully realise why the society has not met months. All S.C. activities in Leeds, apart from public meeting on November 9, 1932, have been by individuals on their own account (until the appearant). to be populated), and after last November there one another raison d'être tor the one another min providing an opportunity for members another what each one was doing. refore, I fail to understand how Mr. Cainer can speak

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

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)

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 spoilt 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 acti-vities 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 noshirt 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, vities 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.

#### Sales Tax Warrant.\*

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

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......

COMPTROLLER OF CUSTOMS.

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

<sup>\*</sup> The God-Man: A Phrenological Study of Jesus Christ. By Amy B. Barnard. (James Clarke and Co. 173 pp.

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## 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

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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