THE

# NEW AGE

INCORPORATING "CREDIT POWER."

A WEEKLY REVIEW OF POLITICS, LITERATURE AND ART

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## CONTENTS.



# NOTES OF THE WEEK.

## The Crisis in the United States.

We ended our comments last week with a reference to Professor E. W. Kemmerer and his advocacy of a return to the gold standard. There are many theories as to what a gold standard really is, and what is meant in a technical sense by a return to it. For example, when America's gold-hoard was at its maximum, the bankers were applying to it, and justifying in the Press, a process called "sterilization." That is to say, America was on a *sterilized-gold* standard, and, therefore, off the *gold* standard. The process took the form of an arbitrary limitation of credit-issues irrespective of the quantity of gold behind them. As an illustration, suppose that in January the stock of gold was 100 units, and the credit circulating on that basis was 1,000 units. and that in the following June the stock of gold had grown to 200 units, the bankers would not increase credit-issues to 2,000 units as they were theoretically entitled to on the gold-credit ratio assumed to be adopted, but would alter the ratio instead. They would say to themselves: "Our gold-stock has doubled; so instead of making only one unit support ten units of credit we will hypothecate two units." On these figures there would be a 50-per-cent. sterilization: the doubling of the gold would have doubled the backing of the credit instead of doubling the credit. This was done by currency-manipulation. As the stock of gold rose, the bankers would withdraw from circulation a certain amount of ordinary currency which required a certain gold-backing, and substitute therefor gold-certificates to the same nominal value but requiring a higher gold-backing. This arbitrary manipulation of ratios between currency and its gold-backing, coinciding with the fixation of the ratio between the banks' currency-holdings and credit-issues, made it possible in theory to keep the volume of circulating credit constant while the gold-hoard grew to any figure you like. The operation bears some resemblance to the well-known practice of commercial enterprises which, when high profits accrue to them, distribute bonus shares instead of dividends, i.e., they raise the statistical value of their capital without (as students of Social Credit will realise) adding a cent to the conversion-value of capital generally. Here, it is the shareholders' financial credit which is sterilized in the interest of the investment-system and the credit-monopoly behind it.

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This rough and partial survey of the technicalities concerned is sufficient to show that Professor Kemmerer's back-to-gold advocacy reflects, not a technical necessity but a political policy. That policy is the resumption of exclusive control of money by the financial hierarchy. The means to that end entails the arrest or reversal of President Roosevelt's policy—in one word, Deflation.

* * *

In these circumstances students of Social Credit, particularly those who are in the United States, will do well to inform themselves of, or refresh their memories about, the circumstances attending the imposition of deflation thirteen years ago. The most useful book on this subject is Mr. George W. Armstrong's history of the process in the United States, one from which older readers will remember we have often quoted since its publication some ten years ago. It is called *Truth—The Federal Banking System in Action,* and was published at 50 cents by the Truth Publishing Co., P.O. Box 938, South Fort Worth, Texas. If it is no longer to be bought no doubt copies can be consulted at the chief libraries. At any rate we have made some notes from our copy and reproduce them hereunder. Our use of italics is to indicate that the phrases and terms concerned are those of the author, or, when he quotes, those of the authorities quoted. As will be seen, they begin with Professor Cassel's memoranda to the League of Nations in 1921 and afterwards cover Professor Kemmerer's reports to the American group at the Brussels Conference. and his subsequent book *High Prices and Deflation.*

P. 13.—Prof. Cassel to Financial Committee, L. of N. (1921).
Two ways of implementing deflation.
(a) *Curtailment* of loans, and *stringent selection* between demands for loans.
(b) *Abnormally high bank rate* calculated to *raise other rates of interest above what the real scarcity of capital would require* . . . thus placing an *effective brake on all forms of demand for credit.*

P. 14.—Process incidentally attended by some rather disagreeable effects.

P. 15.— . . . . aggravated *burden* of taxation, *handicap on production* and enterprise for a *practically* unlimited number of years. . . . If deflation carried further in debtor States their *State finances* will break down, and public bankruptcy will have to be declared.

P.16.—Prof. Cassel—*Second* report to L. of N.

Refers to proved effect of deflation in America—it caused gold to be worth more in terms of commodities than in other countries—so that *gold went to America*—and the *most advantageous* use of this gold was to *let it go to America.*

P. 17.—Prof. E. W. Kemmerer *employed* as *adviser* to American group who dominated Brussels Conference foretold the same consequences.

P. 10.—Kemmerer . . . Professor in Princeton University.

Press reports new Department of Economics at Carnegie Institute. Trustees set aside $1,600,000 to *educate the public*—*Paul Warburg* one of the trustees.

P. 19.—In 1919-20 " Bankers' Statistics Corporation " formed *for purpose of employing professors and other economic writers* to show methods and advantages of deflation because it was necessary to *secure the co-operation of a majority of the bankers* as well as the Federal Reserve Board

Kemmerer one of these. Writes " *High Prices and Deflation* "

P. 20.—Frank A. Vanderlip, ex-President of National City Bank of N.Y., writes introduction to this book.

P. 21.—" *High Prices and Deflation* "—points from:

Prices have risen because money plentiful; not because goods scarce.

P. 22.—Trouble not with a *high price level*, but with a *rising price level.*

P. 23.—Inflation has given to the stockholder (profits) and taken away from the bondholders, who received *fixed* sums of *depreciating dollars.* Cheated bondholders enumerated as *prosperous individual or money-making corporation, endowed university, library, or charitable institution,* or a *widow living on a pension,* etc., etc. (See pp. 4, 5, 40, 41-44 of " H. P. and D.")

P. 25.—Unpleasant effects of deflation.

Consumers postpone purchases.
Retailers let stocks run low.
Capital construction deferred.
*The business world refuses to capitalise inflated prices.*
*Spirit of uncertainty*, due to *expectancy of heavy price reductions.*
Labour laid off.
Wages forced down—which means
*Weakening of the hold of trade unions on their men.*

P. 26.—Yet deflation is " *necessary* " because

The *existing gold base* is too small to support paper money at parity with *gold monetary units in a free gold market.*

P. 28.—Method of deflating.

*Gradually but firmly Government paper should be forced out of the federal reserve banks and out of the commercial member banks and into the strong boxes of the investing public, including the vaults of savings banks, insurance companies, and endowed institutions.*

*To this end* the banks should further increase discount rates *until they succeed in forcing contraction.*

The F. R. banks should be *decreasingly receptive* to applications for loans and re-discounts from banks who are lending for speculation or luxury production.

NOTE.—Author says that it was the agricultural banks who were thus treated when the policy was put into operation.

P. 29.—Author's conclusion. . . . Federal Advisory Council and Reserve Board did all that Kemmerer proposed, *but not with " moderation and reason " as he* (K.) *advised.*

The problem before the Federal Reserve Board (whom we will take as representing the parties to the present deflation policy) differs from that which faced them in 1920-21. It is easier now than it was then to secure unity of purpose and uniformity of method among the bankers generally, because of the recent banking crisis in the United States, as a result of which the numerous independent banks which had been outside the Federal Reserve system were shut up altogether or fell into the hands of the F.R.B. Wall Street went on strike for centralised banking, and got it. In 1920, banking was not only largely un-centralised, but practically the whole banking community were ignorant of the secondary consequences of banking activities. So Professor Kemmerer and other economists had to be commissioned to teach these bankers sufficient about the nature and consequences of inflation and deflation to enable them to form a more or less intelligent opinion on the proposed deflationary policy. Being independent, and accustomed to act on their own judgments in their daily business, they had to be consulted by the Federal Reserve group, and therefore to be educated into fitness for the consultations. Unlike the group they had to live and work in the midst of the suffering which deflation was to bring about, and they had to be reasoned into acceptance of the so-called necessity for the operation. If not they would probably have rejected the policy on this account and perhaps also because of a suspicion that it covered a design by the big banks to encroach on their own field of enterprise. So the professors were brought in—all of them learned and impartial persons—and they succeeded in securing sufficient acquiescence for the plan to go through. Naturally enough, the immutability of the existing costing-principles being taken for granted, the more thoroughly the professors' arguments were examined the more convincing they were. It was not all plain sailing, however, as can be gathered from Mr. Armstrong's book, and, probably also from his earlier work, *The Crime of '20*, which purported (for we have not seen it) to disclose the " secret proceedings " of the Federal Advisory Council at the Conference in May, 1920, and the " secret minutes " of their meeting in the following September. (This book was issued by the publishers already named, and was priced at one dollar.) Presumably it was found necessary to couple political deception with technical education in dealing with the independent bankers.

* * *

Well, as we say, there are now no independent bankers to be dealt with. Probably an agreement between not more than a dozen men in New York is all that is required to ensure the implementing of their policy by the bankers throughout the United States. But however well drilled and disciplined the banking forces have become, the advantage accruing to the general staff of High Finance is offset by the circumstance that they have to operate in much more difficult territory than they did thirteen years ago. We refer to the growth of knowledge among the non-banking community gained during this interval partly by their experiences of the consequences of deflation and partly by their study of this and other theories of financial policy. True, this knowledge is confused and unco-ordinated, but all the same it constitutes, so to speak, the measure of meal in which the leaven of a true co-ordinating principle can work. That leaven is, of course, the Douglas Analysis and Proposals. Whether people think them intellectually forbidding or morally reprehensible makes no difference to the fact that they alone contain the explanation of all the trouble, and provide the means of composing it, and that therefore they will be discovered if by the process of elimination by trial and error even by no quicker method. There are evidences that the Japanese Government are experimenting with a sort of managed-expansion policy which might easily develop into the complete Social-Credit policy. And it is unnecessary to emphasise the significance of the rise of Social Credit to the peak of politics in Australia and New Zealand.

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In the United States education has not proceeded so far, but it is not unreasonable to say that a substantial section of the community are better informed about the implications of banking than were the independent bankers ten years ago, and than are the majority of them to-day. Contrast this with the situation then, when bankers could calmly pursue their policies in an



atmosphere of complete popular ignorance and inertia. Much ignorance remains to be dispelled, but not so much inertia. The recent deputation of State Governors to President Roosevelt is one symptom of this. The farmers' attitude has gone beyond discontent to divine unrest; and these Governors warned the President that they could not guarantee law and order unless the farmers' demands for remunerative prices were conceded. It is a pity that the unrest should show itself only in such forms as the holding up of trains and lorries and the confiscation of livestock and milk (which are two of the latest instances to be reported), but it is not at all a pity that the farmers should manifest the will to act for themselves under a Government which is impotent to act for them.

## Public Works and Employment.

" £80,000,000 to provide jobs—Roosevelt plan to employ 4,000,000 men—public works." Assuming that all the money is spent in wages, the average share per man is £20 *in toto*. Assuming that the jobs last one year, the average wage is just under 8s. per week per man. If a shorter or longer time the wage is correspondingly more or less. When Roosevelt took office he announced that American industries were to be mobilised on the same principle as if the nation were at war. Accordingly the public-works wages may be regarded as equivalent to the rations of rum given to the front-line troops to help them over the top. Now, while this particular round of rums assists the occupation of forward positions it does not guarantee their consolidation and defence against counter-attacks. More rum might! Now, the enemy opposite this sector of the Roosevelt front is Unemployment; and the position captured by the troops can be called Re-employment. The question arises: Can this position be held against a frontal attack or encirclement? In military warfare there are technical reasons for occupying new positions. The reasons may be falsified by subsequent events, but at least they constitute a sort of picture of the new opportunities and the new risks likely to arise from a successful initial advance. But have the Industrial Recovery Administration anything like such a picture in mind when thus ordering their four million workmen to advance? What is to happen when the £80,000,000-worth of public works are completed? On the assumption and estimates laid down, the whole sum will have passed out of the hands of the workers in the purchase of bare necessities of life. These, for simplicity, we can designate farm products. Let us assume that the farmers have collected all the money. If we imagine that they have saved it and possess it in their own right, then, since they are taxpayers, the collective taxable capacity of United-States citizens is higher by that sum. And it will need to be so under the existing principles of fiscal finance, which will oblige the Government to charge the £80,000,000 to the taxpayers. Unfortunately the existing principles of commercial finance have resulted in the past in the creation of a huge block of debt represented by farm-mortgages; and the farmers' creditors, whom we will call the Moneylenders, will have had opportunities to intercept the money before the Government can demand it. The amount of farm-mortgages has been variously computed at sums ranging from one to two thousand million pounds. If we call it fifteen hundred million then the £80,000,000 represents just over 5 per cent. of it, which is no more than a moderate annual rate of interest alone. The farmers will assuredly have to pay interest—in fact we quoted Sir Herbert Samuel last week to the effect that they are already " honestly " repaying their debts. But the Moneylenders are not content with interest alone if they can get more; and since most of the debt (probably all of it by now) is legally due to be paid on demand by bankers, the amount payable will be just that amount which can be traced to the possession of the farmers. So, on the assumptions, the Moneylenders will collect the £80,000,000. They stand, as it were, round the farming community, and intercept and appropriate this new revenue, which, otherwise, the farmers could (in theory) have diffused (by spending it) among their fellow-taxpayers. So the Government cannot recover the cost of the public works except on one of two conditions: (a) that the American people's taxable capacity is at this moment not yet fully tapped; or, if it is: (b) that the Moneylenders bear the whole burden of the tax. But in the latter case a legal difficulty arises. Money received by banks in repayment of loans is not income, and cannot be taxed as such. Nor is it appreciation of capital because none of it can legally be appropriated as capital. Further, as students of banking are aware, the money is written out of existence through the lawful technique of accountancy, and therefore cannot be allocated to any account at all. The only circumstance in which the banks could be called on to pay taxes would be if they treated the money paid them by the farmers as interest. But are they under any legal obligation so to treat it? Cannot they say to the typical farmer: " Here; you owe us £1,000 on which our interest-charge is £50. Pay us that sum, and we'll knock it off your debt "?

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The political import of this general analysis lies in the question whether the interception and cancellation of public-works money is likely to take place; because if it is, the Roosevelt advance from the unemployment sector of his front will end in a retreat or envelopment caused by general financial repercussions. Employers in enterprises already existing are saying that they must soon be bankrupt if they continue paying wage-bills at the present rate; and that will also be the position of the taxpayers if they are to be taxed more heavily without receiving more money—and particularly so because American citizens, as consumers, are the employers of the employers who hire labour on private enterprise, and, as taxpayers, the direct employers of labour hired on public works.

## Unemployment Insurance Bill.

The new Bill was issued to Members of Parliament on November 9. Transitional payments and out-relief to the able-bodied unemployed are to be administered by an Unemployment Assistance Board consisting of five paid members responsible to the Minister of Labour who in turn will be responsible to Parliament. The Board are to have a free hand to apply regulations (to be approved by Parliament) governing assessments of need: they are not bound by the statutory rates of unemployment benefit; but will simply take into account the resources available to the household. Another section of the Bill empowers the Board to require applicants for the above forms of relief to attend a work centre or to enter a workhouse. The Board will otherwise provide training courses for unemployed. Under the Insurance scheme proper the age of entry will be reduced to 14—the school-leaving age: persons in this scheme who are disqualified owing to loss of employment due to a trade dispute will be excluded from assistance by the Board for the period of the disqualification. These items are taken from the summary in the *News-Chronicle* of November 9. Coming to details of administration, one must be recorded here, which is that the Board's officials will be stationed in different parts of the country to administer relief in areas " not yet determined "—presumably as to location and size.

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When the National Government was originally formed, *The Times* published an article pointing out that the *Under-Secretaries* of State then being appointed would have much greater responsibilities than ever before, because the *Secretaries* of State would have to devote all their attention to the urgent general problem of the nation's finances. That meant that the Cabinet would resolve itself into a Board of Bankers' Ministers virtually presided over, not by the Prime Minister, but by the Chancellor of the Exchequer—the titular

"Bankers' Minister," as declared by Philip Snowden when he assumed that office. This meant that every Spending Department of the State would be in charge of a Minister whose governing, and even only, principle of administration was to discourage spending. The Secretaries of State, instead of being, as previously, official advocates of appropriations of money necessary for ensuring the efficiency of their respective public-service Departments, and able, in theory, to outvote the Chancellor of the Exchequer in the Cabinet, now became delegated agencies of the Chancellor's function of "guarding the nation's purse" against Departmental applications for money. Departmental estimates were to be subject to scrutiny and veto by the heads of those Departments, who thus became a body-guard of Exchequer Bullies. Considering the under-Secretaries as responsible for efficiency, the only way in which they could administer their Departments under the rule of retrenchment imposed by their own Chiefs was to seek and secure bureaucratic power instead of financial credit. Hence the aggravation of the "New Despotism" exposed by Lord Hewart, wherein the jurisdiction of the Courts was reduced to save time and cost to the Departmental administrators.

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In these circumstances the mere mention of the Unemployment Assistance Board's being "responsible to the Minister of Labour" is a joke, as is also that Minister's responsibility to Parliament. For the Board is a private corporation financed by the taxpayer and controlled by the Bank of England which, through the Treasury, controls nominations to the Cabinet, of which the Minister of Labour is one, and to which Parliamentary procedure is admittedly subordinated. The one certainty is that the Board will expend just so much money as the banking trust deems prudent, and the only freedom left to any Minister of the Crown or Member of Parliament is that of endorsing and underwriting the Board's activities and estimates.

## Trade Cycles and the Sun.

According to Professor H. Stanley Jevons (Economics: University College of Wales)—

"... Meteorologists have proved the existence of cycles in the weather, and some are important for their effects on crops: for instance, one of twenty-one months, and others which average in length three, seven, and eleven years.

:

"Observations made in America show that the radiant heat received by the earth from the sun is constantly varying, and in periods corresponding with the weather cycles. Hence it is by no means a flight of imagination to attribute alterations in prosperity and depression in world trade partly to the variability of the sun.

"But the full explanation of trade cycles is excessively complicated. . . ."—From the chief article in the *Daily Mail*, October 23.

There may be such things as trade cycles; and the sun's rays may of course have something to do with them. For example if the world got a double crop one year and destroyed half of it; and got no crop at all the next year, the two-year cycle thus established could be attributed to the influence of the sun's rays on the harvests. But that would be to underrate the influence of the moon's rays on the harvesters. In a bumper season, when of course the radiant heat received by the earth is high, there is a tendency for harvesters to defer their walks abroad until the cool of nightfall. To parody the popular song, they come "All out of doors in the moonlight." In fact harvesting by moonlight is a familiar operation in a fine season. Well now, as that song about a sailor might run:—

There is something about the moon's rays,
Well you know what moon's rays are.

As Hamlet warned Ophelia, the sun's rays promote fecundity, and we may suppose that the moon's rays were ordained to correct the extravagance of the sun's. If that be so, we may say that whereas it is the sun who starts the trade cycle, it is the moon who closes it. The Orb of Night, never knowing what that boisterous Orb of Day is going to do next, subtly works through human agencies to remove the products of his exuberance as they appear. Phoebus may preside over the provision of plenty, but Luna presides over its destruction. Under her influence people come to realise that the purpose of a large harvest is to provide more work in the clearance of it for the next sowing. If she could only anticipate the sun there would be no variation in the harvests and no trade cycles; for then the earth would yield its fruits in that constant equivalence to the needs of bare survival which bankers dream of when they sleep in the moonlight.

## Riches or Happiness.

**By John Grimm.**

". . . incidentally, also without the right kind of character, we shall make poor use of the age of leisure and abundance, for if one thing is certain it is that you do not necessarily render men good or happy by making them rich." (Lord Tavistock, letter on the Oxford Group Movement in the *New English Weekly*, November 2.)

The golden truth behind this gilt-edged maxim has never been more powerfully exemplified than by the experience of the ancient father Aesop, to whom, it will be remembered, was vouchsafed the faculty of understanding the language of animals. By one of those divine combinations of circumstance which lead to epochal discoveries, he was led in his wanderings one day to a place where he suddenly encountered an assembly of animals in solemn conclave. Addressing them was a fox. The holy father noticed that this fox was shorn of the appendage known as a tail; and in his benevolent heart he was struck with commiseration for the unfortunate animal's condition. But to his relief and astonishment he heard the fox exhorting the assembly to believe that they would never taste the full joy of existence until, like himself, they had renounced the possession and use of their tails.

The father turned on his way, pondering this deep matter, oblivious of where his feet were taking him, until suddenly he stumbled over a trap. In that trap he saw the severed tail of a fox. Upon seeing it there his remarkable powers of deduction enabled him to conclude that this was the tail of the animal whom he had lately overheard, and, further, that the fox's submission to the ordeal of severance had been involuntary. Two thoughts came into his mind. The first was whether the sudden shock of the accident might not have caused in the victim some hallucination regarding the salutary nature of the consequences. "Is it not possible," he asked himself, "that the fox has not yet had time to miss his tail?" But almost instantly this thought was followed by a second and better one. "No," he said, "the very fact that this fox must have suffered a rude shock by losing his tail without his foreknowledge is a convincing reason why all animals with tails should voluntarily renounce them to avoid the same evil?" He was a little hesitant about the fox's omission to disclose this reason to the other animals, but then remembered that among the company there had been a laughing hyena, and, circling above, a few mocking birds, and he reflected that these could easily have affected to misunderstand the benevolent motives animating the fox, and could have infected the others with incredulity by their characteristic vocal reception of his persuasive eloquence. Again, he reflected that the arrogance inherent in animals generally might have led them to question whether, after all, their own wits, their own presence of mind, were not a sufficient protection against the absence of tails. And then again the fatalism inherent in some of the more lethargic animals might have led them to decide that if they were ordained to lose their tails by accident they *would* lose them by accident, and therefore need not go to the trouble of having them taken off. And so, musing back over his past experiences and observations he arrived at the



final theorem which, even at this day, remains an axiomatic principle of natural economy—the theorem that: *Nature does not necessarily render animals good or happy by providing them with tails.*

The soundness of the theorem is made manifest by Nature herself in the physiological architecture of the Manx cat, who excels all other animals in goodness and happiness. Hence the name now applied to the theorem by its upholders—namely the *Manxian Theorem.*

As was to be expected, investigations into the applicability of the Manxian Theorem to human psychology and conduct commenced soon after Aesop enunciated it. And as was also to be expected, its significance has been made clearer by the transvaluations established by scholastic research. Perhaps the most acceptable clarification is one formulated in these terms: *You do not necessarily render men bad or unhappy by making them poor;* or, as some exegesists prefer: *You do not necessarily prevent men from being good or happy by keeping them poor.*

These have been comprehended under the categorical designation of The Banxian Theorem, partly to distinguish it from the Manxian Theorem, and partly to distinguish it from what has latterly become known as the Cranxian Theorem, the upholders of which advance the claim that: *You do not necessarily render men bad or unhappy by making them rich,* and some of whom proceed to the heretical extreme in asserting: *You do necessarily render men good and happy by making them rich.* These are regarded as cranks—hence the name of their theorem. Not only is their reasoning unsound, but their methods of disseminating their views are objectionable. They seek to justify their nonsensical notions by inventing and attributing to the Banxian schools the extreme antithetical theorem that: *You do render men good and happy by making them poor, or keeping them poor.* Even if this scandalous allegation did not manifestly collapse under the weight of its inherent stupidity it is completely shattered by the stubborn fact that the Banxians declare it to be untrue. The Cranxians are forced back onto the irrelevant dialectical device of inquiring what "being good" or "being happy" means—whether a man cannot be bad and happy, or good and unhappy. "Who settles," they ask, "what sort of conduct or what sort of experience is a component of goodness or of happiness?" The Banxians' dignified answer to these sophistries is to point out that the rules of goodness are to be found in established law, and that happiness is achieved through obedience to the law. Happiness, they say, is comparative; and since the penalties of the law are designed to make a man less happy when he disobeys it than when he obeys it, his obedience secures his happiness.

The Cranxians raise another quibble and ask: "Who are '*you*'?"—meaning to say: Whose right is it to render men good or happy?—have not men the right to pursue goodness and happiness in their own fashion? The answer is, of course, that while the abstract right is admitted the exercise of it is dangerous unless men have the right kind of character. Therefore, any scheme for providing riches must be administered in conformity with the laws framed to shape character, and even, as some extreme Banxians hold, conditionally on the observance of those laws. The Cranxians concede that the latter view is not formally endorsed by Banxians generally, but they express the fear (whether sincerely or not) that the extremists may use their influence, or be empowered by higher influences, to place the function of distributing riches into the hands of centralised ecclesiastical and other moralistic institutions. They make jocular references to the "Dunmow Dividend," by which they mean to suggest that men might have to qualify for riches in the same way as that in which married couples qualify for the Flitch of Bacon.

The Banxians admit that their Theorem can be construed in that way, and that their insistence on the primacy of character over riches tends to encourage the extremists, but they hold that the Cranxians over-estimate the power of extremists to capture the policy of the Banxian Movement. Policy, they say, depends on the broad, moderate will of the governed.

## Obituary.

We deeply regret having to report the death of Mr. Charles E. Stacy, the news of which has been communicated to us by his brother, the Rev. Paul Stacy, of Coventry. Mr. Stacy was a resident in Western Australia. He made his first contact with Social Credit more than ten years ago, and was largely instrumental in founding the Douglas Social Credit Movement in Western Australia. We had the privilege of meeting him in 1924, when he came to England for a holiday, and found both pleasure and profit in our conversations with him. The mutual bond of sympathy arising from our common belief in Social Credit was strengthened by the fact that our experiences and interests otherwise had run along parallel lines. He was one of the leading analytical chemists in Australia and a member of the Australian Chemical Institute. Outside his vocational life he was a keen follower of the game of cricket, with a warm corner in his heart for Gloucestershire County, and a high admiration for "Wally" Hammond's prowess in the service of that Club. Needless to say, we had plenty to talk about at our meeting, and we are glad to hear from the Rev. Paul Stacy that he returned to Australia with a deepened conviction of the truth of Social Credit and a renewed determination to help in the achievement of its purpose and promise.

Well, well—so Death has taken his wicket, and the match not yet won. But the innings is not over—other batsmen are to come in—the struggle goes on—and we like to think of this trusty player in the game for righteousness, now retired to the rest and shade of the Eternal Pavilion, eagerly following his clubmates' fortunes on the field of play, and serenely contemplating the slow but steady mounting of the runs on the scoreboard of history.

## Suicides in 1931.

According to *Criminal Statistics* for 1931 the number of suicides in that year was 5,092, and the number of unsuccessful attempts at suicide, 3,115. This is the first year in which the suicide figure has reached 5,000. Encouraging as the establishment of this new record must be to the authorities responsible for the solvency of the Budget and the Unemployment Insurance and Relief Funds, the high proportion of abortive to successful attempts reflects a degree of inefficiency in the choice or application of methods which the nation cannot afford to view with complacency. In fact it may be doubted whether strict actuarial tests might not show that the saving effected by the 5,092 successes is more than cancelled by the disablement ensuing from the 3,115 failures. It is to be hoped that this disturbing phenomenon will be carefully watched by the Government.

J. G.

### FORTHCOMING MEETINGS.

**Belfast.**

November 21. Tuesday. Belfast. Ulster Hall, 7.45 p.m. Major C. H. Douglas on "A Model Social Credit State." Admission, 1s. Reserved seats, 2s. Belfast Group of the Social Credit Movement, Hon. Sec., Mr. James A. Crothers, 9, Gregagh Road, Belfast.

**Bradford.**

November 22. Wednesday. Bradford. County Restaurant, Bridge Street, 7.30 p.m. Rev. H. Edwards, of Settle, on "Last Week's News as Seen by a Douglasite." Bradford Douglas Social Credit Group.

**Edmonton.**

November 23. Thursday. Edmonton. Town Hall, 8 p.m. Mr. John Hargrave. It is proposed to run a bus from the West End to this meeting. Will any intending traveller apply to Mr. R. Gray, 82, Porchester Terrace, W.2, before Monday, November 20.

**West Norwood.**

November 22. Wednesday. St. Luke's Parish Hall, West Norwood, 7.45 p.m. Mr. H. E. Baker and Mr. Peter J. Hand.

# The Green Shirts.

## NOTES FROM THE GENERAL SECRETARY.

A detachment of Green Shirts marched to the Cenotaph in Whitehall on Saturday, November 11, and laid a wreath bearing the following words :—

*From*
*The Green Shirt Movement for Social Credit.*
*November* 11, 1933.
" Wake, now, the Dead."

. . . . . . . . . . . . . .

A London propaganda squad proceeded to Southampton on November 4 to carry out special duty with the 1st Southampton Section. Our report says: " . . . Ten men were enrolled, and four more will be enrolled by the Section Leader this week. Uniforms were issued to seven men. After enrolment and a short talk, the whole party proceeded on to the streets to sell *Attack!* They sold about 100 copies in one hour—nearly two a minute. During this time one of the Southampton Green Shirts was attacked and knocked down by two or three Communists. The first open-air meeting (November 5) was held at the Common from 11 to 12 mid-day. The speakers were H.Q. Staff Officer G. T. Gregory and Section Leader Mingo. Crowd just under 100. Friendly and keenly attentive. No questions.

" Second meeting at the same place from 3.15 to 4.30 p.m. The speakers included Green Shirt Taylor, of Southampton. Crowd rose to 300 soon after we began. 3.45, Fascist opposition meeting opened a short distance away.

" Third meeting same place 7 to 9 p.m. This closed officially at 9 p.m., but individual Green Shirts and knots of people remained discussing points for another hour. Platform was floodlit by motor-car headlights for ten minutes before meeting started. Crowd of 100 to 150 had gathered before the first speaker got up. This increased steadily, and we held a crowd of 700 or 800 most of the time. At one time it probably numbered 850. Crowd most attentive and friendly. Many questions. As before, the people did not melt away after the meeting was officially closed, but remained in knots discussing Green Shirt policy.

" *Attack!* was sold at all meetings, and nearly 400 were sold during the week-end.

" . . . There is a police ban in Southampton on demonstrational processions and banners. This applies to all political organisations. However, we understand how to adapt our methods to all such regulations without losing the desired effect.

" Left 11 p.m. Sunday, reached London by car 2 a.m. Monday.

" Active and willing co-operation was again received from the Southampton D.S.C. Association as regards transport, propaganda, billeting, etc., and in many other ways."

. . . . . . . . . . . . . .

Regarding the physical attack made upon one of the Southampton Green Shirts, our report says :—

" All three men concerned in making this attack had been drinking. We understand that they afterwards came and apologised, saying they were sorry, and that they acted ' on the spur of the moment.' They promised to come to our meetings the next day."

. . . . . . . . . . . . . .

Scene : A ginger-beer stall on the Common, Southampton.

Green Shirt (buying a drink) : " How much? "

Stall-keeper : " Tuppence—but that's all right. I've heard you chaps speaking and I'm on your side."

. . . . . . . . . . . . . .

Another item from Southampton :—

Open-air meeting.

Communist : " You're not working-class—you're Fascist! "

Another Communist : " You ought to be in the Communist Party. This way you are splitting the Workers! "

G. S. speaker (to crowd) : " You hear that? I think they had better fight it out between them.

The crowd agreed.

. . . . . . . . . . . . . .

Under the heading " Green Shirts " the *Morning Post* (November 6) prints :—

" Black Shirts, Brown Shirts, Blue Shirts, Red Shirts—these are all familiar names. To-day I encountered for the first time a new species—the Green Shirts. I met them marching from Trafalgar Square, behind their kettle-drums, and they looked a well set-up and well-drilled company. The uniform consisted of green beret, green shirt, and grey flannel trousers. What these young men stand for I do not know, and the banners which they bore were not explicit. ' Green Shirts Demand the National Dividend ' was the principal legend; which, in these days of a national deficit, might mean anything.

" On one banner, however, I read : ' Would the maggot starve because the apple was too big? Green Shirts answer, NO! ' Echo answers ' No ' with equal confidence; but where the question and the answer may lead is not obvious. They were leading the banner bearers back to the East End."

This refers to the unemployed demonstration held in Trafalgar Square on November 5. The *Morning Post* has been officially informed as to what the Green Shirts stand for. The paragraph quoted above appeared in the columns signed " Peter Simple," and we hope he may bear in mind the simple economic lesson in which a " Simple Simon " attempted to taste a pie, was informed by the pieman that he must first " show " a penny, and, forced to admit that he " had not any," had to go without a taste of the pie. According to the Bankers' Combine, the pieman must (should?—will be forced to?) throw his pies in the gutter and trample on them, or bake less pies.

Would a " Peter Simple " starve because there were too many pies?

If the answer is " No," it leads straight to the enrolment office of the Green Shirt Movement for Social Credit.

(And, by the way, all our banners without exception bear the words " The Green Shirt Movement for Social Credit "—which is quite explicit.)

. . . . . . .

Sixty Green Shirts and three officers attended the unemployed demonstration in Trafalgar Square on November 5, organised as a protest against the new Unemployment Bill to be presented to Parliament this session dealing with conditions of unemployment relief, etc. The organisers of this demonstration were various Left Wing groups. The Battersea, Deptford, and Shoreditch G.S. banners were carried. The three contingents having arrived at the Square, Staff Officer Jackson took over the parade. Our report says :—

" The demonstration lacked ' pep.' . . There were never more than, say, 2,400 demonstrators and supporters, with perhaps 200 spectators. The whole affair was quite orderly, but lifeless. The Square was not one-fifth filled. . . . The speakers on the plinth of Nelson's Column were hardly audible, and none had much of a reception. ' Finance-capitalism ' was attacked on this occasion, *inter alia*. A number of Left Wing supporters wore red shirts and others khaki shirts, and some regard was paid to marching technique, but the usual contrast between the non-uniformed mass and the Green Shirts was no less apparent. . . This demonstration was in no way comparable with the Hunger Marchers last year. It was clear to all of us that this demonstration was little more than a ' fiasco,' and that the Communist leadership will suffer an inevitable loss of prestige in consequence. It is not only that the psychological *tempo* of the masses is at the moment ' in the doldrums ' —it is obvious that *organisation* and *method* are lacking."

. . . . . . . . . . . .

The *Tottenham Weekly Herald* (November 3) says :—

" The British Union of Fascists; the Green Shirt Movement for Social Credit; the Labour League of Youth; the Young Communist League; and the Junior Imperial League—mix these together and what will be the result? Something sanguinary you may imagine!

" I hope not, because these bright young people will rub shoulders (in full dress regalia) at the Town Hall (Edmonton) on Friday evening, November 17, the occasion being ' Edmonton Youth Hustings.' "

Sanguinary or not, we are determined to be seen and heard on all occasions.

. . . . . . . . . . . .

The nucleus of the 1st Sheffield Section has been formed, with local headquarters at 147, Attercliffe Road, an empty shop in the east end, which the Sheffield Green Shirts are now getting ship-shape.

Widnes Green Shirts have redecorated their local H.Q., timber for seating accommodation has been obtained, and forms constructed. They intend to hold indoor meetings open to the public, once a week.

. . . . . . . . . . . .

Leeds, Bradford, and Keighley Sections met at Otley on November 5 for two meetings; one in the market place and one in the Clarion Clubhouse. Both meetings did much to spread the message of Social Credit. The indoor evening meeting took the form of a debate with questions and discussion between S.-L. W. Townend and Mr. H. D. Dickinson, B.A., Lecturer in Economics at Leeds University. He attacked the A + B Theorem, and went on to state (1) that when Major Douglas first put forward his proposals they were based on the A + B Theorem, but that now S.C. advocates no longer believed in A + B themselves (!) and (2) that when Major Douglas appeared before the Labour Party in 1921 (!) his proposals " were turned down because his arithmetic was wrong." These mistatements were quickly cleared up by the G. S. Speaker, and we hear that Mr. Dickinson is making a further study of Douglas Social Credit.

H. T. W.

# New Zealand News

The New Zealand Legion (The Gold Bugs), as worshippers at the shrine of the Bankers' International, are advocating a partial copy of the Swiss Parliamentary system for the Dominion, under which everybody is busy on parish pump affairs and where the banker is cock of the walk. As *Farming First* states: Basle is just across a river from Germany and could not be defended. Under modern war conditions Switzerland could not resist a powerful invader for long. What inducement the gold of the world might have for an invader, if not defended by some more powerful army than the Swiss could raise, perhaps Hitler may show some day—if ever the world's gold goes to Basle. His rise may have helped to burst the Basle bubble.

* * *

Attacks on Social Credit proceed apace. *Individuals are now being singled out for victimisation.* Banks have addressed certain firms, asking them to acquaint their employees that there are dangers connected with money-reform propaganda. One Government servant was told he would have to drop his secretaryship of a Douglas Social Credit Branch.

* * *

In order to increase employment subsidies are being paid from unemployment funds to those who can employ extra labour: brewers, Press bosses, and, of course, *banks*. A bank wanted some painting done and tenders were put out. The total amount involved was only £8—one-half was for labour. When the work was completed the bank informed the firm that they couldn't pay the bill at once as they had to wait for the unemployment subsidy!

* * *

At the second annual meeting of the Douglas Social Credit Association, held at Dunedin in August last, under the presidency of Miss H. M. King, M.A., there was a record attendance of 1,600 to hear Captain Rushworth speak.

* * *

The film " Cavalcade " has found its way out to New Zealand. *Farming First* states that it is a true story of the thirty years of failure which men have just put behind them and lacks only the *slump* to make it complete. (Noel Coward fans, please note.)

* * *

Neat little badges or pins bearing the letters " D. S. C." can be obtained for one shilling from the Secretary, Auckland D.S.C. District Council, Box 1056, Auckland.

* * *

Political economists are proud of declaring that they are practical persons. Professor Belshaw, of New Zealand, after studying the dismal science of figures and statistics for fourteen years, believes that it is sacrilege for mere amateurs to trespass in the sacred preserves of the pseudo-science of economics.

R. H.

# Machinery, Property, and all That.

## THE TAIL-END OF AN ARGUMENT.

**By W. T. Symons.**

1\. Social Credit advocates could not subscribe to the statement that " The creator of machinery did wrong thereby." It seems to them that to anathematise the gigantic control of natural forces by man is not the province of man, the more that a great part of that control already serves beneficent human purposes. It is the aim of Social Credit to bring all that is covered by the omnibus word " machinery " into the beneficial ownership of man, both personally and in his collective organisation as nations and every kind of " credit area."

2\. It is the specific design of Social Credit to put every individual into the position to acquire property, and to hold it freed from fear of its loss, especially in industrial property to which he makes his contribution to the social whole, and to encourage in every way the replacement of large by small units in everything where *quality* is best served in that way. At the same time, the belief is that no individual should be compelled to the immobility inseparable from property if his life is better fulfilled by great mobility and by simple participation in the aggregate wealth. On this basis, it is believed that new creations of craftsmanship, of art and of human behaviour will arise of great value. We cannot reprobate as immoral in itself the amazing extension of the means of transport. Can these developments really be ascribed to " the Devil," and the effort to bring them to the service of man repudiated? It is the Social Credit case that man is as yet largely enslaved by them; but need that be so?

3\. Social Credit stands for decentralisation in every sense, by the only method practically available, viz., the provision of money income inalienably to every individual, enabling him to control *by his " effective demand "* the whole range of material production. Income enables him to make his wants known; the whole organisation of production has but to respond, and if social financial credit can be created to provide the money-mechanism, both Production and Finance are definitely reduced to the position of servants to every man.

4\. " Plenty " does not necessarily mean " a superabundance of machine products "; it is exhibited in that way under a financial monopoly which derives profit from developing that aspect of plenty and neglecting the qualitative possibilities which are released by the power to produce plenty. Mere quantity can now, for the first time in human history, be placed second to quality without any fear of quantitative production failing to be sufficient.

5\. We deny that the effect of Social Credit would be to concentrate the productions by agriculture in certain areas of the world; on the contrary, a great development of the sense of nutrition, and with it the growth of a great deal of food of any country on the soil of that country, would certainly follow from the financial revolution proposed. The destruction of agriculture in England has been a definite result of monetary policy, fostering the carrying trade as an instrument of investment abroad and compelling dependence upon sea-borne supplies. The reverse process would commence at once upon adoption of Social Credit.

6\. There is only too much reason for the fear that " the Banks being so powerful a revolution would be needed to secure the adoption of the (Social Credit) method." Advocates of Social Credit are acutely aware of this. But they suggest for public consideration that the *method* of trying to impregnate the present political organisation must be pursued. They are aware of the danger that if Social Credit can only be implemented by an act of revolution, an excessive degree of social control would accompany it. For this reason they pursue for the present the path of persuasion.

7\. With regard to the multiple store such as Selfridges: that is probably a great social convenience, and the Social Credit method of dealing with it by instituting an agreed profit *on turnover* and relieving the purchasers of paying the " overheads " as well as the true costs in the prices of their purchases, goes far to remove its objectionable features. The tendency, however, under a system of an assured minimum income to every individual, will be for a great extension of small enterprises in which a few articles of special quality will be produced. Social Credit supporters deprecate the assumption that large size or complexity in an industrial organisation is *necessarily* injurious. It is while it operates to destroy personal initiative and the production of variety. But could it not operate—as an exhibition does—to bring to public notice the great variety of products which human ingenuity devises?

8\. There is no possibility under a Social Credit régime that " goods would be retailed from central depots at the fixed prices, for the shopkeepers and others to buy with their dividends." Several errors in reading the Social Credit Proposals are contained in this sentence. In the only specific Scheme yet advanced: (1) The Government as such is specifically excluded from undertaking any business; all services provided directly by Government are to be free to the individual user and paid for in bulk out of issues of financial credit upon the proved national credit of the period (instead of being met, as at present, by direct taxation or by borrowing from the money monopoly); (2) prices are only to be " fixed " in the sense that a fixed *proportion* of the accountancy price (calculated as at present) is credited to the purchaser (the aggregate amount of money issued for this purpose being the subject of previous calculation of capital appreciation of a period); (3) shopkeepers as such cannot buy at the " fixed " prices, only private individuals. The advantage of the social credit expressed in price discount is only obtainable over the shop counter.

9\. The criticism that " Social Credit must weaken the property sense of *meum* and *tuum* " has this validity, that the acquisition of property as defence against fellow-man would certainly decline. But the acquisition *and security* of such place and such goods and such field of activity as a man may desire would be the normal way of life. If it is recognised that it is quite impossible to " employ " the whole population any longer, we cannot agree with any proposal which would perpetuate dependence upon compulsory work for a livelihood. We know that the (unavoidable) leisure of the modern world is fraught with problems, but we think those problems must be met by a gesture of faith in humanity; they cannot be met by attempting to *return* to a former estate.

10. The Social Credit proposals do not contain any provision that the social dividend shall be paid by " scrip," and that its value shall be terminable within a certain period. The proposal for payment of dividend has not been worked out in detail in the general literature of the movement because emphasis has been placed upon the Price Abatement mechanism as the first step. But in the Social Credit Scheme for Scotland the provision for dividend is included, and payment is to be made in currency or by draft through the Post Offices. There will be no special pressure upon recipients to spend the money, but no doubt for a long while the greater part will be spent very rapidly in making up the sad deficiencies in nearly everybody's life. The evils of inflation cannot, however, ensue, because consumable goods will be subject to Price Discount, *only obtainable as a proportion of their accountancy price*, i.e., they will be sold " under cost." Prices of " intermediate products " —agricultural or industrial—will be determined by genuine competition, without Government interference, but in an atmosphere of basic security, and in an economy so advantageous in the purchase of consumable goods, that the *current* incentives to raise prices will tend to cease. The ordinary necessity of finding that " it takes two to make a bargain " will operate in all but sales of consumable goods, but it seems unnecessary to assume more difficulty than at the present time in such transactions. In the Scheme for Scotland Major Douglas makes provision that land shall only be sold subject to Government approval. This restriction is, in his judgment, necessary at initiation of the Scheme to prevent the possibility of a ramp in land values.

11. Far from the Social Credit order of society involving more bureaucracy than at present, it will require far less, because it is from first to last a policy of inducement, to every individual and organisation in the country, except the small concentrated money monopoly; and even here, the *organisations*—Banks, etc.—are merely to be changed as to the policy of their operations; the technical management and staffs would remain relatively unaffected.

# Music.

### London Symphony Orchestra, Queen's Hall, October 23.

The concert commenced with a very fair performance of Wagner's Tone-Poem, " Faust in Solitude," more often known as " A Faust Overture," a work that is not particularly interesting from any angle, and which I have always considered second-rate Wagner. We were then given Brahms's Pianoforte Concerto No. 2, in B flat, with Myra Hess as soloist. Miss Hess's rendering may not have pleased everyone, it may not have been " pure Brahms "—I have never yet been able to ascertain what is meant by that dogmatic term—but it was broad, massive, and surprisingly powerful, especially in the exhausting first movement, while she gave free play to her unique poetic sense in the slow movement, and a delightful exhibition of rhythmic vitality in the last. It struck me as being considerably more assured than her performance at the " Proms," which, however, was not surprising in view of the caprices in which the B.B.C. " Prom " orchestra are wont to indulge. Sir Hamilton Harty gave the orchestral share of the proceedings with zest and sympathy, and the concert concluded with Schubert's " Heavenly length " Symphony.

### B.B.C. Symphony Concerts, Queen's Hall, October 18 and 25.

These concerts do not call for extended notice, being of a routine and unadventurous order. There were two outstanding items: at the first concert, Josef Hofmann gave a performance that could hardly be surpassed for sheer technical brilliance in Beethoven's " Emperor " Concerto—a work that is immeasurably inferior in substance to the G major—but which threw no new musical light on the matter. At the second concert, Gieseking, admirably accompanied by the orchestra under Boult, played the Mozart Concerto in B flat (K.595 with his usual clarity, precision, and refined but intense feeling. I cannot imagine anyone improving on his conception and execution of it.

### Royal Philharmonic Society, Queen's Hall, November 2.

The programme opened with Rossini's scintillating Overture, " La Scala di Seta," from his little known opera of that name, and Sir Thomas Beecham, at home in almost all music of all periods, gave the firm, delicate reading one had expected. But it is a monotonous business to write about Sir Thomas: one can scarcely avoid the use of superlatives, for I have never known him to be in anything but good form, and Sir Thomas's best, I have no hesitation whatever in saying, is something that cannot be equalled the world over; his combination of galvanic vitality, incredible versatility, and clairvoyant musical insight must surely be something unparalleled in the annals of interpretative art. Sibelius's foreboding " Tapiola " is never likely to be heard to better advantage: Sir Thomas obtained alternatively a vaguely suggestive eeriness and a menacing ferocity, revealing details that had hitherto passed unnoticed but always in perfect proportion to the whole

Mozart's Sinfonia Concertante for orchestra, oboe, horn, clarinet, and bassoon (Messrs. Goossens, Kell, Alexandra, and Gregory), was excellently done, but it is frankly not Mozart at his most inspired; some of its repetitions, in fact, were a little too much for some of us.

The " Eroica," of course, was brilliantly handled by all concerned, but I shamelessly confess that the Beethoven idiom is one that I cannot stand in prolonged doses: wonderful though the " Eroica " is, I suppose, from an objective standpoint, it arouses little or no response in me, so I am hardly fit to pronounce a final judgment on the performance—suffice it to say that everyone appeared to agree that it could not have been bettered.

### Myra Hess, Queen's Hall, November 4.

The first of women pianists presented a familiar programme, save for the inclusion of Mozart's Fantasia and Fugue in C, which, again, is not first-rate Mozart.

Brahms's F minor Sonata is one of those much mauled works that one honestly hopes never to hear again, or at least not for a very long while. It is far too long, the material is not very distinguished, and the piano writing is awkward, clumsy, and muddy. In short, no matter how finely played, one's final impression is that it seems intolerable and interminable; why, for example, after a most satisfying cadence in the slow movement, does he add on five bars of reminiscence that completely nullify the effect? Bars full of thick, clotted chunks of chords that sound muddy, and utterly unpianistic. In my opinion, the third and fourth movements are easily the best. However that may be, Miss Hess's performance was finely felt and controlled, and her Schumann " Papillons " was most delicately and imaginatively rendered. I thought that Miss Hess was inclined to linger a trifle too lovingly in the slow sections of nearly all the works, but her Chopin Preludes were splendidly delivered, notably the B flat minor and D minor, the dramatic force of which was realised to the full, as well as exhibiting her admirable technical control.

CLINTON GRAY-FISK.

# The Theatre.

### Playing for Safety.

A remarkable lack of managerial originality characterises the opening of the autumn theatrical season. Presumably there are new plays, but revivals are preferred. At Sadler's Wells, where the Old Vic. company has temporarily migrated, Charles Laughton's impersonation of Shakespeare's Henry the Eighth may be compared by the curious with his interpretation of Alexander Korda's screen version of the same monarch. The latter is also to be seen at the Duke of York's, where " The Rose Without a Thorn " is being revived, with Frank Vosper in his original part. The Phoenix and the Chiswick Empire are presenting Shakespeare, the Westminster regales us with " The Lady from Alfaqueque," which is also not new to London, and " Maternité " is at Daly's. Still, one can always buy a more comfortable seat for " the pictures " at less than half the money.

### " G.G.'s " Reminiscences.

The most interesting theatrical production of the week was the publication of George Grossmith's autobiography (" G.G. " Hutchinsons. 18s.). Autobiography is, perhaps, not the right word; Mr. Grossmith has compiled a volume of reminiscences of men and women and the theatre, and the result is as entertaining as it is urbane. The author, himself a member of an old theatrical family, has in turn played the parts of actor, manager, producer, playwright, film actor, and scenarist; he was responsible for one of the first English revues; and his professional career has ranged from such extremes as a very juvenile novice at the Savoy to manager of Drury Lane. This book is an epitome of the lighter side of the theatre during the past half-century.



The varied topics dealt with by " G.G." include the pre-war period, when there were eight English musical comedies in New York, " and no single native example of that—to America—new entertainment "; the somewhat later period when " The Merry Widow " was " playing during one particular week at over four hundred great cities in Europe "; Lloyd George saying, in 1915, that, " They didn't believe me " was " the most haunting and inspiring melody I have ever heard "; the Gaiety Theatre company cancelling the Grossmith-Laurillard lesseeship because " G.G." had broken his contract " personally to inform " by volunteering for war service; Marilyn Miller dancing " unnoticed at a Bond Street club during the war," and also unnoticed by Ziegfeld, despite her appearance in one of his own shows; the part of Rosie, in the Winter Garden production, of " Sally " played on one night by no fewer than four actresses, as the result of a series of mischances; King Feisal's first visit to a theatre, the occasion being " No, No, Nanette "; King Amanullah, his consort, and other royalties visiting the author in his dressing room during an entracte and holding up the performance until the A.S.M. " ordered me audibly to ' get these people out of your room ' "; " G. G." lunching with Elgar and Kipling, whose table talk, to his disappointment, was " of the laying capacity of certain breeds of fowl "; Lubitsch as a poor and unknown actor, who " was the little clown who slid down the stair-rail " in the Coliseum production of " Sumurun "; and the presence of paper napkins in the Hearst's dining room, " resembling in size and beauty the great hall of an Oxford college."

The proof-reading has been abominably done, and I cannot recall another book in which so many misprints of proper names occur. Some of these, such as " Babbitts," " Duchesse d' Uzez," and " Eric Charel," are inexcusable; but some atonement is made by the unconscious humour of " ginius of musical comedy."

V. S.

# The Films.

### Film of the Week: " La Maternelle." Directed by Jean Benoit-Levy and Marie Epstein. Academy.

It is significant that three of the best films shown in England this year, one of which is definitely the year's best, depend for their success on young and untrained child players. I do not know whether this is due to a desire for novelty on the part of French and German producers, or to a reaction against machine-made celluloid " box office," or is merely owing to chance or coincidence, but it will be interesting to see whether Hollywood will now similarly exploit the child star.

" La Maternelle " is the most original film of the year. The directors have cut across every convention of the commercial screen. Even the mild love affair is introduced merely because it is necessary to the theme, and not owing to the naïve belief that the public will not pay to see a film unless it contains a man and woman desirous of sleeping together. The story itself is of the slightest. Rose, an educated young woman without means, who is anxious for any work, is appointed nurse at a kindergarten, where most of the action takes place. All the children love her. Marie, a little girl, deserted by her loose-living mother, is unofficially adopted by her. The medical superintendent proposes and is accepted. In an agony of jealousy, Marie throws herself into the Seine, but is rescued, and the film ends on the assurance that Rose's husband will also play father to Marie.

No hint, you will observe, of " guilty passions," intrigues, crime, racketeering, night clubs, cabarets, luxury hotels, millionaire's yachts, winter on the Riviera, palaces on Long Island, and the rest of the trimmings that pass for life on the screen, but instead the real and everyday emotions of real and simple people. The directors have treated this simple theme with sincerity, sympathy, and restraint. The last is noteworthy; the commercial screen shows how easy it is for producers to succumb to the temptation to maudlin sentimentality, and one shudders to think what Hollywood would have made of such a story. But " La Maternelle " is pre-eminently a players' film, and its players are young children, some of whom can hardly walk. For the greater part, these juveniles do not act; they merely behave naturally before the camera, and the result is as convincing as the work of non-professionals in Russian films.

This film has discovered a new actress, Paulette Elambert, who plays Marie, and ranks with Hans Feher and Robert Lynen. She is not so natural as the two boys, since her acting has more than a touch of the self-consciousness characteristic of her sex. But, you would say, here is a child who is not only a born actress, but also acts with her brain. And she is worth any dozen of Hollywood's most boomed female stars put together.

Save for Mady Berry, " les gosses " overshadow the adult players. But that is as it should be. The grown-ups are merely foils and part of the machinery; it is the children who matter.

### Current Films: " I Loved You Wednesday." General Release.

This picture, whose title is a marvel of inappropriateness even for Hollywood, I should cordially dislike on any day of the week. It is at the same time a pretentious production, which aims desperately hard at being daring and sophisticated, and so out-moded as to suggest that it has been carpentered out of bits and pieces discarded from a dozen or so other films. The theme of the great dancer who rises to fame after student days in Montmartre, complete with liaison, should have retired years ago on an old age pension. The star is Elissa Landi, who showed promise when she was acting in English films, but has since become one of Hollywood's bad bargains. Her Vicki almost qualifies her for this year's Ockham Medal for bad acting; she prances and pirouettes in simulated girlishness, and seems to be trying to be even brighter and more vivacious than the brightest and most vivacious of American actresses.

### Pudovkin on Film Technique.

Pudovkin's " On Film Technique," of which the first English edition was reviewed in these columns on its appearance, and of which George Newnes have just issued a new and enlarged edition, has already become a classic. It is one of the very few books on the cinema that have any real or permanent value. In it one of the great masters of the screen sets out his theories of montage and the suitable use of sound, both of which have been worked out with such admirable results by the Russian directors. This book should be read by everyone who believes in the artistic possibilities of the cinema; and its reading by every commercial film director and producer ought to be made compulsory.

### For the Connoisseur.

Both the Academy and the Forum (Villiers Street) announce programmes of exceptional interest. Elsie Cohen, whose direction of the Academy has given Londoners a selection of the world's best films during the past two years, writes me that " La Maternelle " is to be succeeded by the " Late Christopher Bean," which has not yet been shown in England. Other forthcoming productions include " Anna and Elizabeth "—with a cast including Hertha Thiele and Dorothea Wieck, the stars of " Madchen in Uniform "—and the first English presentation of the cartoons of Szegedi Züts.

The Forum, where it is also proposed to establish a film club and library, plans to revive some eighty silent and talking pictures, subject to copies being available. The list is extraordinarily representative, including " The Nibelungs," " Homecoming," " The Marriage of the Bear," " Pandora's Box," " Forgotten Faces," " Michael Strogoff," " The Spy," " The Gold Rush," and other Chaplins, including the immortal " Dog's Life " and " The Circus," " Waxworks," " Thou Shalt Not," " The Bridge of San Luis Rey," " General Line," " Turksib," " The End of St. Petersburg," " Shadows," " Vaudeville," " The Last Laugh," " Berlin," " Metropolis," " Jean Ney," " The Informer," and " Backwaters." Here is virtually an epitome of the screen, and my only regret is that it does not include " Greed " and " En Rade."

DAVID OCKHAM.

# Gramophone Notes.

In his " A Study of Wagner," Ernest Newman wrote, " The opera (*Tristan und Isolde*) was written at one of the most feverish epochs of Wagner's life. . . . Here the fever of the man's soul seems to have burnt its way into almost all his feeling and all his thought, fusing the strands into one glowing mass; and upon this molten material the hand of the intellectual craftsman has been laid, casting it into mould after mould of the clearest and most vivid form, complex in the highest degree, yet sane and orderly and lucidly synthetic throughout. To examine some of the scenes, first in separation and then with an eye to their relation to the whole, is to stand amazed at the genius of the man who could bring the thematic elaboration of dramatic music to such a pitch of perfection."

There are people who find some of *Tristan*, and especially the third Act, tedious and too long, probably because there is but little action to sustain a series of really tremendous emotional surges. These people in particular will be grateful for the H.M.V. records DB 7399—7402. These are a "symphonic synthesis," by Leopold Stokowski, who conducts the performance by the Philadelphia Orchestra. Mr. Stokowski has done his work well, and the records are a satisfactory presentation of most of the thematic material of *Tristan*. The method of Wagner is definitely symphonic, but not symphonic after the mould of Mozart or Beethoven, who paid great attention to the form of their compositions. Of necessity, Wagner's operas do not exhibit the classical symphonic forms. (In this connection, it is interesting to compare the departures made by Sibelius in his later symphonies.) But Wagner's vital and organic method of developing highly significant thematic material is essentially symphonic, and Stokowski has selected and blended together the essential parts of some of the most important scenes, and the result therefore may be called properly a "symphonic synthesis."

The first two and a half sides are devoted to a recording of the Prelude in its entirety, and it is difficult to imagine a more satisfying performance. Not a point is missed, nor is one over-stressed. The clarity of the various orchestral instruments is quite exceptional—for example, at a performance in the theatre, or even in the concert-hall, the "Tod-motif" in the bass (bars 28 and 29) is often obliterated, but here it stands out in its proper significance. The climax is admirably achieved, and the last few bars, at the rise of the curtain, are played by the basses with due feeling and mystery. Next comes the scene where Tristan obeys the the summons of the imperious and wrathful Isolde, and Stokowski gives due breadth and dignity to the tremendous "Tristan das Held" motif. There follows much of the most beautiful music of the second act, and the last record contains all the Liebestod except the first eight bars.

The playing throughout is excellent. The Prelude begins with the merest whispering of the strings, so soft that the actual beginning can only just be heard, and there are fine individual wood and brass passages later, while some of the passages for full orchestra are quite ecstatic. Such playing can be achieved only by an orchestra composed of first-class performers under a first-class conductor who has imagination and courage and the power to convey his understanding to his orchestra, and then only when plenty of rehearsal has welded together the orchestra and its conductor. No doubt we shall learn the lesson with our English orchestras in time.

I suppose there are people who still like the old-fashioned sentimental ballad. I almost wrote a harder word instead of "sentimental," but the fact that there are still people who will buy them ensures the production of McCormack's latest record, DA 1341, and Richard Crookes's DA 1337. The two voices are not to be compared, although I prefer Crookes, infinitely, but I would rather hear Joseph Schmidt (B 8033) than either of them, for although he has not achieved such notoriety, he has at least a powerful tenor voice, which he uses in an honest and forthright way, although I found it necessary to moderate the volume of sound which I usually permit my controls to indicate.

Another most interesting issue from the H.M.V. studios is the recording by Arthur Rubenstein of the four Chopin *Scherzi*. These compositions are among the most brilliant of Chopin's many brilliant creations, and in some respects, they are also among the most characteristic of his works. The first three are very brilliant and indeed flamboyant, and therefore are better known than the fourth in E major, Op 54, but for all that it has some claim to be considered the most charming of them all. Rubenstein plays it as if he really loves it—he succeeds in bringing out all the wistful whimsicality which was so real a part of Chopin, and the brilliant *Coda* is all the more effective when it bursts upon the ear. The first Scherzo, in D minor, Op. 20, is in changing moods, and the soloist does them full justice, playing the cascades of *arpeggi* with an impeccable clarity which enables the listener to hear the quiet unfolding of the two main melodies with a more than usually appreciative ear. The Second Scherzo in B flat Minor, Op. 31, is by far the most popular, and the rendering is all that could be desired. I have never been able to conquer my affection for No. 3, in C sharp Minor, Op. 54, and this record has increased my esteem for it. The first section is dominated by a theme with plenty of bluster and vigour which Rubenstein plays with an almost ferocious brilliance. There follows the admirable melody, punctuated with a rippling descending figure which is characteristic of the work. The *Coda* is of the greatest brilliancy and intricacy, and Rubenstein plays it in great style, his attack and clearness being an example to some of the players I have heard attempting this work.

H. G. B.

## Cole On Douglas.

[*This article is reproduced from "The Free Man" of November 4 by the courtesy of the author and publisher.*—Ed.]

On reading recently "The Intelligent Man's Guide Through World Chaos," by G. D. H. Cole, the writer was forcibly struck by the strong similarity of much that Mr. Cole was saying to what Mr. C. H. Douglas wrote in his earlier works of 1921 and 1924.

Readers familiar with such books as "Economic Democracy," "Credit Power and Democracy," and "Social Credit" will have no difficulty in recognising the Social Credit flavour of the following extracts from Mr. Cole's book:—

Page 18.—The people and the nations that needed the goods had not the means of paying for them.

Page 22.—The economic activities of mankind have only one objective—the promotion of human happiness.

Page 43.—The two main problems are, above all, financial and psychological.

Page 64.—The trouble is not, that the goods are not required, but that the people who need them cannot afford to buy them.

Page 148.—There has therefore arisen an apparent deficiency of consuming power in relation to the capacity of the productive system, and the world's most pressing problem has come to be, not a further increase of the power to produce, but the devising of means for the full use of the productive resources already at hand.

Page 151.—The object of a sound economic system is to put the available resources to the best possible use.

(Compare this with what Mr. C. H. Douglas wrote in 1921:—"The business of an economic system is to deliver the right goods to the right users.")

Page 264.—There will have to be in each country a managed currency so administered as to secure that the supply of money is contracted and expanded in accordance with changing needs.

Page 297.—The monetary machine ought accordingly to be adapted to serve the interests of production and consumption.

Page 298.—Currency ought not to govern credit as it does largely in the world to-day.

Page 323.—There has never been a time at which there were not in the aggregate a considerable number of workers out of a job.

(Compare with these words from "Social Credit": "During the past few decades we have never been free from an unemployment problem.")

The above extracts are sufficient to prove that Mr. Cole has much in common with Mr. Douglas.

But Mr. Cole makes a number of debatable points without producing any evidence in support. He maintains that "the world emerged from the world war, not as it had hoped richer and more progressive, but definitely impoverished." That seems contrary to our experience, and we prefer to accept Lord Melchett's conclusion as being more in line with observed facts that, "The last war, instead of impoverishing, as did previous wars, enriched mankind through the enormous scientific developments which it forced ahead at an unnatural speed."

Mr. Cole's account of the slump in America is too metaphorical to satisfy the student of any exact science. On page 21 he writes, "It was first of all in America that the wave of prosperity which had seemed to be sweeping over the world from 1924-29 broke in a cloud of spray on Wall Street." We much prefer the "hard fact," as stated by Lord Melchett in "Modern Money," that "the central banks broke the Wall Street inflation with enormous bank charges. Then followed the dramatic Wall Street collapse, first of stock market prices wiping out about £5,000 millions of value in 1929-30 and another £4,000 millions in 1930-31." So much for metaphor.

Further, on page 299 he writes, "It is nevertheless fantastic to suggest that prices could be halved, or brought down to a fraction of what they are now, by any manipulation of the monetary machine." Now it may be fantastic, but it may also be possible and practicable. Lord Kelvin, at a meeting of the British Association, declared that the atom could not be split, and at the time, sitting on the platform was a young professor who has since performed the impossible. I refer to Professor Rutherford. Calling a thing fantastic is a poor substitute for scientific investigation.

Far from being fantastic, Mr. C. H. Douglas has devoted thirty pages of "Credit-Power and Democracy" to showing that only by some such method could the community obtain an amount of purchasing-power equivalent to the prices of the goods for sale. To quote his own words: "Although the unregulated system of credit-issue and price-making dis-



tributes purchasing-power both in respect of capital production (tools, factories, intermediate products) and ultimate products (necessaries, services, amenities), it takes back in the prices of ultimate products only, practically the whole of this purchasing-power." And after thirty pages of reasoning and investigation this conclusion is reached: "The result is that prices of ultimate commodities would have to be fixed, not with regard to what they would fetch, but with regard to the above ratio (i.e., consumption to production), which would result in a price which would be a fraction of cost."

It may be quite true that Mr. G. D. H. Cole cannot perform the experiment, but in the light of these thirty pages he is only being silly when he says the thing is fantastic.

On two separate occasions he writes of money as if money in itself had any existence apart from figures in bank ledgers. (We are ignoring the infinitesimal amount of bearer-money, i.e., what is popularly called cash, perhaps point seven per cent. of the whole of bank transactions.) On page 36 he writes, "The public may even prefer to leave its money idle at the bank." And again on page 481, "A substantial part of the money is either lying idle in the banks. . . ."

Mr. G. D. H. Cole ought to know that money is not kept at the bank at all (some cash and bundles of securities there may be), but that money, the creation of a stroke of the pen, can be lying idle in bank premises is an idea quite tenable by the unsophisticated man in the street, but equally ridiculous to be held by the reader of economics in the University of Oxford.

Let us invite Cambridge to our support. In a recent volume, "The Functions of Money," by Dr. Leonard Alston, lecturer on economics at Cambridge, this very common fallacy is pointed out. Here are two relative quotations: "To talk to-day of the keeping of wealth in predominantly registered-stock form (i.e., bank money) as a method of placing resources in the hands of the banking system is to use the language of a bygone age." And second: "The banks could not function at all unless people agreed to use bank money as a substitute for paper money. Moreover, *depositors do not keep money in the banks* (italics ours). The only money kept in the banks is kept there in the same way that the community keeps a large part of its money in the tills of shops. The deposits are kept and used *outside* the banks by the deposit holders." We suggest that the two rival universities stage a boat race to decide the issue.

On page 653 Mr. Cole reaches his important conclusion, namely, the Socialisation of the Banking System. A good case might be made out for such a step as a necessary preliminary to rectifying the errors in the present financial system. But in itself the step is likely to mean nothing except a change in administration. As our Cambridge lecturer has said, "The complete and formal nationalisation of our banking system would seem to serve no true democratic purpose."

The inadequacy of Socialisation or Nationalisation as a cure for our financial ills has been clearly shown by Mr. C. H. Douglas, eight pages of "Credit-Power and Democracy," being devoted to this end. Can anything be more convincing than the following?: "Before considering the prescription—Nationalisation—it may be valuable to consider what can be conveyed by the term ownership in connection with such a concern as a boot factory at the present time. Taking the simplest case of a one-man ownership, the owner might live in the factory, if he wanted to, or he might burn it down, if it was not insured, or otherwise destroy it, in all of which cases it would cease to be a boot factory; or he might appoint himself manager, or he might sell it, in which case he would cease to own it. The essential point is that, considered as a boot factory, it is not of any direct use to its owner after he has had a dozen pairs of boots out of it each year. What, however, *is* of value is, firstly, the money-value (i.e., credit-value) of it, which is entirely based on his power to make prices for its product in excess of its costs, and, secondly, the pleasure which the control of it may give him. *Take away his power to make prices for its product in excess of its costs, and you have taken away all its property value*, leaving only the administration value."

Mr. Cole has no doubts as to the importance of finance, for he admits that "It is in the machinery of banking and finance that the power to keep the economic system working or to bring about its dislocation at any moment resides."

That being so, where is his detailed criticism of the Social Credit Proposals? Does he object to their aim? Is there a flaw in the mechanism that would achieve the aim? Mr. C. H. Douglas has put his cards on the table. The aim and methods of his proposals are open for full investigation. At the moment, a Socialist candidate is standing for Kilmarnock. Has Mr. Barr been explaining to the electors the Socialist proposals that will so increase the purchasing power of the community that the total product can be bought? On page 148 Mr. Cole says (see above) that this is the world's most pressing problem. Advocates of Social Credit agree and direct all their energies to the solving of that most pressing problem, hence the Social Credit Proposals. What are Mr. Cole's concrete, detailed proposals to meet his self-confessed most pressing problem?

"The Intelligent Man's Guide Through World Chaos" is disappointingly and significantly silent on this all-important question.

R. L.

## LETTERS TO THE EDITOR.

### "A + B" AND "CONTINUOUS PROCESS."

Sir,—Mr. Baker, in his letter published in your issue of November 9, says that his illustration of the tanners and the bootmakers was used to exemplify the A + B theorem.

As he there postulates a business (a tannery) which makes no B payments whatever, I think your readers will be justified in holding that such an illustration does *not* exemplify the A + B theorem. There is no such thing in modern industry as a business which does not make B payments.

At the end of any given week, under the conditions postulated by Major Douglas, the total wages earned by the employees of both tanning and bootmaking factories during that week could not purchase the total output of both factories during that week.

Major Douglas, in his original enunciation of the A + B theorem (*vide* p. 22 of "Credit Power and Democracy"), says: "The product of any factory may be considered as something which the public ought to be able to buy, although in many cases it is an intermediate product of no use to individuals but only to a subsequent manufacture."

If this contention be denied, then it would appear that Social Creditors and their opponents are at loggerheads on a question of equity.

I am at a loss to follow Mr. Baker's last paragraph on this subject, as I made no assumption that writers on economic subjects had offered no explanations of booms and slumps. The explanations are legion.—Yours faithfully,

A. W. COLEMAN.

November 9, 1933.

### THE "COMMON WEALTH'S" POLICY.

Sir,—As a Radical I prefer to delve down into the roots of a social or economic disease and to find and apply a root remedy. Hence my agreement with the Douglas Social Credit system. But I must confess to a sneaking regard for the Editor of Australia's new S.C. journal "Common Wealth," since it is obvious he is anxious to make a practical start in monetary reform and to make people realise that the real issue to-day is "People versus Money." He suggests making use of the nation's credit for the relief of unemployment. I can understand your objections to such a scheme, and the risk that would be run of wrecking Douglas Social Credit prospects altogether. Nevertheless, I feel that we in England could, by a concomitant regulation of the prices of staple commodities, make use of the nation's credit, not for the direct relief of unemployment, but for a direct reduction of the enormous National Debt by, say, £200,000,000 annually. A colossal debt run up by the printing of miles and miles of paper money and by creation of unlimited credit could surely be brought down to the pre-war level pretty speedily by similar methods, but through a National Credit Office and not via the channels of glorified private money-lenders.

SYDNEY W. PEET.

"Dunsford," Headstone Lane, Harrow.

### GREEN SHIRT TECHNIQUE.

Sir,—In his letter in last week's issue of THE NEW AGE, Mr. W. Townend mentions that the current issue of *This Prosperity* made no mention of the activities of the Leeds D.S.C.A. To prevent any misunderstanding, may I mention that the activities of the Leeds group appeared under the heading of "Leeds and Bradford" Green Shirt Sections as received on the report form. All groups receive official forms for the report of their activities. When activities are omitted from the columns of *This Prosperity* it is usually the case that they have been received too late for publication.

Reports should be addressed to Mr. Walter Finnie, D.S.C.I., Editorial *This Prosperity*, 38, Alliance Way, Coventry, to be received not later than the 26th of each month for inclusion in the following month's issue. The publication date of *This Prosperity* is the 15th of each month.

We are pleased to report any S.C. activities whether Green Shirt or non Green Shirt which may be sent to this office.

THIS PROSPERITY,
D.S.C.A. Editor,
WALTER FINNIE.

## The Social Credit Movement.

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

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

### SUBSCRIPTION RATES.

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