

THE NEW AGE

INCORPORATING "CREDIT POWER."

A WEEKLY REVIEW OF POLITICS, LITERATURE AND ART

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NOTES OF THE WEEK.

It is curious that whereas, when the Russian Government propounded a scheme of complete disarmament for Europe, the Press unanimously voted it a trick to embarrass the League of Nations, the French proposal, announced last Saturday, to vest the control and use of armaments in the League is being reverently discussed. We do not by any means exclude the possibility that the proposal is seriously made; indeed, we have maintained for years past that Finance was conspiring to possess the only fighting force in the world; and the diagram in our old article (reprinted as a pamphlet) *The Key to World Politics** showed the League of Nations as the agency through which the bankers would operate their military power. It is an interesting circumstance that this diagram is reproduced (occupying a full page) in the booklet on Social Credit published abroad in French which we reviewed a week or two ago. We do not know if the author and his friends have been sending copies to French politicians and editors. If so, one might conjecture that some bright spirit had been inspired by it to play an embarrassing joke on the League of Nations. If not, and by any chance M. Tardieu is serious in his proposal, this is the moment for our supporters on the Continent to get busy with the booklet, or reprints of the diagram from it, so as to discredit and ridicule the scheme.

Speaking of prophecies, the speech of Sir Herbert Samuel on the Tariff question, and the hostile reception it received from the Conservatives, seem to indicate that the move we foreshadowed just after the last election to make him Leader of the Opposition may be about to come off. Mr. Lansbury's speech contained a hint of it—for after blackguarding the Cabinet's policy whole-heartedly he wound up with the observation that after all he would probably have done what they were doing if he had been in their place! This is not the kind of opposition one expects to hear from an official Leader of the Op-

position, and it almost suggests that Mr. Lansbury is fumbling his job for the purpose of making his supersession by another leader appear to be undesignated. Whether that is so or not the tremendous importance attached by the whole House to the tariff question, and the intensity of the views held on either side, would seem to require that the ablest exponents of the Free Trade case should speak from the Front Opposition Bench. Economics is not Mr. Lansbury's long suit—and that would be a plausible reason for his voluntary abdication.

Returning to M. Tardieu's scheme, Senator Borah was reported in last Saturday's evening papers to have attacked it on the ground that its acceptance would give France the military hegemony of Europe. It may appear later how he works it out: we do not propose to discuss it from this point of view at present, except to call attention to its implication that the League of Nations is, or at any rate can be, the instrument of national, and therefore sectional intrigue for power. Far be it from us to question the possibility, but how much more probable the subordination of the League to the purposes of International Finance—a world-combine whose every national constituent is the dominant sectional interest in the nation it represents? It is vital to remember that membership of the League is a matter of private nomination, not public election. The method of private nomination of course hands direct control to the bankers whether they trouble to exercise it or not. And taking a line from the close supervision of the Bank of England over the kind of economics that shall be talked by the B.B.C. to British listeners (e.g., the hasty commissioning of Sir Josiah Stamp to undo the "mischief" caused by Mr. J. M. Keynes's talk about "savings" not to mention Mr. Montagu Norman's alleged insistence on the employment of Professor Clay as economic instructor on occasions when the B.B.C. want to put on the subject) it is idle to suppose that the central-banks of all countries do not take direct interest in the kind of people who are to make economic pronouncements and sanction economic programmes in the hearing and sight of the whole world. This is

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not to flatter the League Council and Assembly; on the contrary, we should say that the general criterion of eligibility applied by the bankers is that candidates should be, so to speak, certified ignoramuses or at least indifferentists on all matters concerning the sinister secrets of financial power and technique. Let anyone who remains in doubt get hold of a group-photograph of the League Councillors, and the sight of them will be enough. The best one can say of their qualifications is that they are "nice fellows" and "good mixers." And so with the members of the Assembly. Even allowing for our having grossly under-rated them, can anyone conceive of these people's undertaking and independently exercising the power of directing the armed forces which M. Tardieu formally proposes to place in their hands? They a General Staff? *C'est pour rire.*

Collectively the members of the League may be said to be predominantly of the "intellectual" type, stuffed with every kind of "culture," and characterised by every sort of proclivity irrelevant to military strategy and useless for military action. The philosophy of such people is always unclosed, and while they are sitting contemplating or discussing action they are left in the rear of concrete accomplishment by those who have trained themselves to close their philosophy and take action. Discussion directed to Decision is one thing, but Discussion directed to Discussion is its opposite. We see that the Governor of Dartmoor Prison has been mildly criticised in the official report on the ground that he tried to meet the emergency by applying a mixture of two principles—coercion and persuasion—at the wrong moment. If a man with his specialised training and practical experience could make an error of judgment as to the time and way to act, what would have happened to a Governor whose training had been intellectual research in an arm-chair? In normal times the relevancy of this question could have been dismissed by the true statement that no-one can be expected to succeed in a skilled job that he was not trained to do. But today, when an imprisoned world is in a state of mutiny manifestly becoming uncontrollable within the walls of traditional financial discipline it is up to everyone capable of thinking at all to learn what he can and as quickly as he can of the principles and technique of the appointed Governors and warders of the world. For if these are overcome an emergency will arise in which the kind of knowledge they lacked, or else failed to apply, will be the only knowledge worth having; and its instant direction to an alternative course of action the only reason for having it. If the Dartmoor officials had been overcome, every man and woman in Princetown would have been obliged to accept the reversion of their functions and fulfil them as best they could. And we may be sure that if some personage like Dr. Nicholas Murray Butler had been there and had propounded the doctrine of the interdependence of convicts and their keepers he would have been rudely reminded of the irrelevance of this concept. They weren't gathering Lotus flowers that day!

From the top to the bottom of public life to-day, whether international or national, leaders in educative and executive positions are practically all devoid of the essential qualities of leadership which look likely to be brought to the test almost at any moment by some new lurch in the economic situation. Two guesses are open to us: (a) that there is already undisclosed potential leadership near the apex of society (b) that a sudden coalescence of interests, or of related measures of self-protection, will create an opportunity for leadership lower down the social scale. Event "b" might cause the mani-

festation of fact "a," or at least elicit some more definite evidence of its existence than is visible at the moment. But the fact of there being two alternative guesses need in no way cause hesitancy among supporters of Major Douglas's Proposals as to what should be the spearhead of their attack: it is to sling the science of Social Credit into friends, neutrals and enemies alike. The economic emergency being the product of a financial swindle, the prime necessity is to assert and prove it to common sense on a scientific basis. All propagandists who can do it that way should concentrate on doing it that way to the best of their capacity and the utmost of their opportunity. There are plenty of others willing to do the auxiliary work on parallel lines. The reason is not so much to get the largest number of recruits to the idea, but to manufacture shock-propagandists. We do not want the kind of recruit who can only say: "My conscience approves your aim" because we have no guarantee that his conscience will not approve the enemy's peace-terms. We must get fighters who know the technique of the swindle, and the technique of stopping it. We must man the A + B front—the foremost lines with exponents of the Theorem, and the supporting lines with those who take its soundness for granted, and are determined to see that the remedy deducible from it is in the peace treaty. We do not want a "Credit-Reform" Versailles.

The campaign need not be unexciting because it is conducted on this basis; for while the bankers' figure-writing is a dry subject their wire-pulling is not. And the two are inter-related so closely that in the exposure of their technical swindle their political intrigues can be used as collateral evidence—and *vice-versa*. If you show what they are hiding you raise a presumption that they are adopting secret methods of hiding it. And if you show that they are adopting secret methods, you raise a presumption that they have something to hide, and if something, then possibly what you say it is.

This brings us to the subject of the appointment of Mr. Mellon as United States Ambassador to Britain as successor to General Dawes. In *The Times* of Friday, February 5, there is a short leading article entitled "A Welcome Appointment," in which Mr. Mellon is obsequiously introduced. Here are some autobiographical items from the article:

"Wealth and political eminence came to him unsought. For fifty years of his life . . . a banker and financier, well known indeed to the initiated few, but not in the ordinary sense of the word a public character . . . He has a Mellon has disproved the rule [i.e. "that it is impossible to be unobtrusive and successful"] "He has never retired nature. He is contemplative. He has never played at politics. He was indeed for many years the trusted financial adviser of Republican Administrations. But he avoided steadily those men in America speak their forms from which most public men in America speak their way to Washington. It was thus an almost unprecedented—and a wise—decision of President Harding to select him for the high post of Secretary of the Treasury. Men who had served the Party for years saw one chosen before them who had never rendered the ordinary Party service at all. Yet without preliminary office . . . retained by competent administrator . . . held his first and only office for longer than anyone before him . . . Two . . . principal tasks . . . supervise the enforcement of prohibitions . . . negotiate the funding of war loans with the debtors of the United States."

The words we have italicised are their own commentary on this sinister record. More sinister still is the origination of Mr. Mellon's political career by President Harding. Harding was in his early life the owner of a paper called the *Marion Star* (Marion, U.S.A.), whose policy laid him open to

the suspicion that he was playing up to be bought over by the interests he publicly attacked. This looks the more likely in retrospect by reason of the allegations made against the Harding Administration that more corruption, and of a more flagrant character, took place under it than under any President before or since. It was said that he sold concessions right and left, and the only doubt in the matter is as to whether he chose to do it for private gain or was driven to do it under pressure from blackmailers. That the latter explanation is the more probable is indicated by the fact that Harding's marital infidelity, if not sexual promiscuity, naturally laid him open to blackmail. About a year ago one of the London papers (we think the *Daily Express*) published articles on Harding's life which were inspired by the publication of a book on the subject entitled *The President's Daughter—The Love Story of President Harding*, written by Nan Britton. (Werner Laurie. 18s.) The authoress was the mother, who wrote the book in support of a crusade for the better treatment by society of children born out of wedlock. Readers who know anything about American journalism will agree that some extremely powerful influence must have been at work to keep such a sensational story out of the entire Press. And it is pretty obvious that the exercise of this same influence was the reason why Harding's Party supporters bore with such patient resignation the President's promotion of Mr. Mellon to the head of the queue for the Cabinet.

To the average citizen there appears no impropriety in a banker becoming Secretary of the Treasury: such an appointment, indeed, automatically suggests itself to his mind. "Money problems? Why, of course have a banker in." Nevertheless the impropriety is there, and is of a graver import than the selling of concessions. For Mr. Mellon himself, let alone his associates, was perhaps more heavily engaged in international war finance than any other banker. It is probable that he or the interests with whom he was professionally associated in America and allied elsewhere, are now the actual owners of most of the foreign funded debt obligations. *The Times* conveniently recalls that Mr. Mellon, as Secretary of the Treasury, arranged the funding of the European debts. This is much the same as if a Municipal Council appointed a local builder to arrange housing schemes. We regard Mr. Mellon as an ambassador from Wall Street, not Washington; and as an ambassador, not to the Court of St. James's, but to the Court of the Bank of England. "The British Empire has fallen into our hands," wrote Ambassador Page to President Wilson in 1914; and now Ambassador Mellon is arriving with, as it were, the deeds of the property in his pockets, probably to keep in touch with events which will affect their value. No doubt the publication recently by *The Times* of Lord Hugh Cecil's letter advocating debt-repayments in kind touched a nerve in Wall Street—for it was a suggestion which, if adopted, would instantly destroy the value of the foreclosure rights attaching to American bankers' mortgages on Europe, rights in which inhere their power of imposing policy via White House on Westminster, and via Westminster on Continental Governments.

In any case every reader of this journal will realise that the turn in events since last September has created problems of an order far beyond the capacity of General Dawes to cope with on the one hand, or Professor Sprague on the other. The situation demands the meeting of principals only; and since, as concerns banking interests, their only ability of maintaining a hold on it rests in their ability to make prompt decisions, the fewer principals the better. Hence Mr. Mellon, who, in his

new role, can fulfil the functions of political "adviser" and financial "adviser" at one and the same time, and keep all secrets under one and the same hat. The one circumstance that may have a favourable significance is that he is coming to talk in London instead of having Mr. Montagu Norman to talk in New York.

Credit Creation and the "Scotsman."

The *Scotsman* has allowed a correspondence to proceed at frequent intervals all through January—and it may be still proceeding. The title of the subject debated was "The Pound Sterling" but the debate centred round the question "Do banks create credit." There were about three "Ayes" and three "Noes." Among the "Noes" was a correspondent signing himself "Banker," which he evidently was. What is most striking about the debate is (a) the thoroughness with which the "Ayes" documented their case with authoritative quotations from bankers' and economists' speeches and books; and (b) the utter inability of "Banker" and his (apparently) disinterested supporters to take in the meaning of arguments which, to students of Social Credit, are axiomatic. In course of the debate the question underwent analysis into the forms: "Is credit created?"—"How?"—"By whom?"—"Is it controlled?"—"How?"—"By whom?" And later in the discussion someone butted in and asked: "What is the definition of the 'credit' you people are talking about?" Some of the "Noes" conceded the fact of creation but insisted that the borrower, rather than the banker, created it. One dug up this argument from the late Dr. Leaf's writings and slammed it down with great gusto.

The answers given were not complete. They should have pointed out that though the act of creation is performed jointly by the banker and borrower, the power to permit the act lies wholly with the banker. The banker has the sole right to create the act of creating credit. Further, he alone determines the duration of the credit. The debaters on both sides could only explore the subject to a limited extent, because complete exploration would have necessitated consideration of the impact of credits on prices—a matter outside the terms of reference. The outcome is therefore bound to be indefinite. It has nevertheless been most instructive to read through the long series of letters, during the course of which we should imagine every conceivable point of any relevance has been made.

The lesson we draw from this admirably conducted debate—upon which all parties, including the editor of the *Scotsman*, who held the ring, are to be congratulated—is that in future discussions a lot of misunderstanding would be avoided if the public were initially told why the question of whether banks create credit, or even whether credit is created, was of importance. Its importance to the public—that is to say its practical importance—lies in the fact that the creation itself (and subsequent destruction) causes the gap between prices and incomes. So it does not matter whether, when Tam o' Shanter borrows from his banker, it is he who creates the credit, or the banker. The consequence of the loan is the same in either case. Thence the question emerges: "Are bankers responsible for the consequence of credit creation." Supposing we grant that Tam creates the credit he borrows, can the banker help what happens as the result of the subsequent accounting of Tam's loan throughout its short life and at its sudden death? Let us put the charge against the banker in this form: That he connives at the creation, and conceals the conse-

quences. We are not here attempting to lay out the form in which the public should be instructed, but to explore the problem of how to make sure, so far as it is possible, that a debate shall be conducted under terms of reference which will make the public actively interested in the issue, and of course (ideally) wishful that the case against the bankers may be sustained.

On a point of detail, we may have missed something, but we cannot recall any contributor's having adduced the fact that during the war British banking deposits rose from under £1,000 millions to £2,000 millions, and that the same thing happened simultaneously in every other country. One contributor contrasted the rise in British deposits against the seven-times quicker rise in the National Debt; but that was not the same thing, and it allowed opportunities for the banking apologists to obscure the true issue. However, the work of the debaters on the Social Credit side (though no mention of Social Credit was made, or could properly be made in the circumstances) was so efficiently done that nearly every reader of the *Scotsman* who followed the controversy must, at the worst, be realising that what the banker says isn't all the evidence. Bankers to-day can only sustain their closed philosophy by closing examination of it.

News Notes.

SOCIAL CREDIT AND THE PRESS.—The "U.F.A." (official organ of the United Farmers of Alberta) of January 2 contains the first portion of an article entitled "The Age of Plenty and Social Credit," by Mr. E. J. Garland, M.P., U.F.A. Member for Bow River. It consists chiefly of an informing account of the progress of labour-saving invention. We have not seen the concluding portion, which presumably will deal with the Social Credit Proposals.

Later. The concluding portion of this article is to hand, but there is nothing in it to justify the inclusion of the words "Social Credit" in the title. All that Mr. Garland seems to mean by the term is indicated in the following passage from his peroration:—

"Now, ladies and gentlemen, you make it possible for these people [bankers] to control. I am not asking you to displace them, because, after all, they have acquired a certain expertness. I am asking you to do one thing only, that you acquire sufficient intelligence to be able to direct monetary policy, principally as consumers."

We do not see why Mr. Garland need have omitted to say whence his audience were to go to "acquire sufficient intelligence" to direct monetary policy. Nowhere in his speech does he refer to Major Douglas, or formulate the principles on which a sound monetary policy must be founded. Considered as a political speech it fails, because it does not invite the public to vote for any particular party. Considered as an educational speech it fails, because it does little more than create an anti-banker sentiment which is left without direction to any particular policy. Mr. Garland certainly exposes the political technique of bankers for getting their own way by trickery or coercion, but a new policy must do more than merely stop them at their game. In the last analysis it will be found impracticable to stop them unless an answer can be given to the case which they can put up when driven to it, namely that the abuses of the Constitution with which they are charged are not wantonly resorted to, but are essential to administrative efficiency. Bankers could say that if their control of the financial system were taken away and vested in the State, and they themselves were deported from the country and prevented from exercising any influence at all in the counsels of the State, the Government would find itself compelled to resort to the same abuses: that the only change

would be the substitution of State coercion for private coercion—the legalisation of the abuses, which would then persist as so many new examples of what Lord Hewart calls "administrative lawlessness." Such a case cannot be met except by discrediting the prime axioms on which the present financial system is being conducted. To put it shortly: *If there is no flaw in the price-system there is no flaw in the bankers' administration of the credit-system.* We concede that Mr. Garland's speech contains nothing incompatible with this fact, and something that indicates his acquaintance with it. But his audience is simply left with the idea of *control in the interests of the consumer.* That is not good enough. If the axioms of finance (which Major Douglas has discredited) are to be tacitly granted to the bankers they can build up an unanswerable plea that *their own control* is in the interests of the consumer. They can show that the consumer stands in two dangers, the one that producers will fleece him if there is too much money in the consumption market; the other that they won't make goods for him if there is too little. "For generations," they will say, "bankers have had to deal with the problem of steering the consumer between these rocks, and though we recognise and sympathise with his grievances as a consumer, we think you will agree that our navigation is likely to prove safer than any that you can substitute. If you do not agree, perhaps you will tell us how you would negotiate the dangerous channel!" The only effective answer to this stuff is to get right behind it and deny the reality of the dangers. If it can be shown that the dilemma need not persist, then the most perfect method of dealing with it becomes superfluous, and discussion of it irrelevant. And the time to start doing so is now. If you are going to start a movement of "amateurs" to advocate a new policy your quickest way to get the responsible and reflective elements of public opinion on your side is to emphasize that your object is not to improve on the experts' methods, but to do something to which their specialised knowledge is entirely inapplicable: in short, that the principles of the new policy you advocate can be as well understood by the amateur as by the expert, while its necessary administration is largely self-regulating—i.e., "expert-saving."

One might almost assert that the services of bankers are now obsolete, and that what is wanted is not so much a *different* control of policy as *de-control*. You have only to put common-sense wise to the problem for common-sense to get rid of it without expert help. Sometimes critics say, meaning it as a jibe, that Major Douglas is not an economist. They are speaking wisdom by accident. The "economists" contemplate a change of experts: Major Douglas proposes bowing them out.

WATERLOW APPEAL.—On Tuesday, February 2, the House of Lords commenced the hearing of Appeals by the Bank of Portugal and Messrs. Waterlow and Sons from the judgment of the Appeal Court when Mr. Justice Wright's judgment for £500,421 in favour of the Bank was reduced to £300,000 by Lord Justices Greer and Slesser, Lord Justice Scruton dissenting on the ground that the Bank's loss was limited to the cost of replacing the illicit notes issued by Marang, the amount of which his Lordship put at £8,922. Our comments on these two trials are to be found in the issues of this journal of January 1 and April 2, 1931, respectively.

THE NEW SOUTH WALES EXTERNAL DEBT.—The Australian Loan Council have declined to pay the instalment of interest shortly due to London and New York from New South Wales. They accept responsibility for paying it in the event of default by the State, but apparently are not inclined to pay unless and until such default is an accomplished fact. In the meantime there is talk of issuing a

writ against Mr. Lang, the State Premier, to compel him to meet his obligations, and (according to *The Times* of February 2) political speculation as to the possibility of the Governor dismissing Mr. Lang and dissolving the N.S.W. Parliament in the event of default. It is stated in Sydney that Mr. Lang has sufficient funds to meet the interest, but his doing so would leave him with insufficient money to pay the State officials and servants.

SOCIAL CREDIT AND THE PRESS.—We are informed that the *Church Times* of last week (p. 168) has a good review of Major Douglas's book, *The Monopoly of Credit*. There is only one passage where the reviewer has not grasped the essential point. His opinion of the book is quite favourable.

THE JUDGES' SALARIES.—The Government have conceded the principle that judges are not Servants of the Crown. The tax recently levied on them is to be considered as a voluntary gift which, after this year, it will lie in their own discretion to repeat. We hope that the effect of this retreat on the part of the Government will be to stimulate further activity against "legislative lawlessness."

THE TARIFF COMMISSION.—The effect of the proposal to form this Commission is to create a virtual second Cabinet, and, what is more significant, a permanent Cabinet. This means that whatever Governments may succeed this one tariff policy would be a "reserved question" to be under the jurisdiction of the credit-monopoly. In Australia, one of the complaints made against Scullin's Government was that it took away the control of tariffs from the Commission then existing. As a result of the recent election the control is to be restored.

TREASURY SECRECY.—Major Elliott, Financial Secretary to the Treasury, when announcing that arrangements were being made to get funds to repay £80,000,000 owing abroad, informed a questioner that it was "not in the public interest" to say how they were going to get them.

THAT INDESTRUCTIBLE COFFEE.—A French paper is having a game with the Brazilian coffee problem. It says that the authorities first of all wanted to burn a loan to pay for having it burnt. So they next thought they would drown it. They had it taken out to sea and dumped into the water. Apparently the men employed to dump it, probably by reason of the low pay they were offered, did not trouble to open the bags, but just dropped them overboard as they were, and then came ashore. Unfortunately for the coffee market, some enterprising merchant had prepared for this and was ready with some boats up a creek near at hand, from whence he darted out and salvaged the bags. The coffee was unpacked and dried in the sun, and before anybody could say "Jack Robinson," it was all back on the market at a figure that was only just a price by courtesy—less than the "just price" so to speak. The authorities next thought of the railways. If they would burn it as fuel in the engines that would save paying for burning otherwise. This plan was agreed to. The next thing that happened was the arrival of a delegation of railway passengers asking that if the Company must burn this stuff would they please put the engine at the rear of the train where the atrocious stink of the fumes appropriately belonged, and where they would be less noticeable. That is as far as the story goes. Further events will be reported later.

NOTICE OF MEETING.

The next public meeting of the Manchester Douglas Social Credit Association will be held at 7 p.m. on February 15, at the Masonic Hall, Police Street, Pendleton, Manchester. Mr. A. H. Blackman will give an address. Title: *Social Credit: The Common Sense View of Unemployment.*

Notice.

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

**Mr. Arthur Brenton,
20, Rectory Road,
Barnes, S.W.13.**

Renewals of subscriptions and orders for literature should be sent, as usual, to 70, High Holborn.

NOTICE.

In the village of Westerton (Glasgow) the "Westerton Douglas Social Credit Group" has been formed. Its first meeting was held on January 19, and was addressed by Ex-Bailie McDevitt, of Clydebank. The number present was 77. On February 16 another meeting is to be held, at which H. M. M., the author of *An Outline of Social Credit*, will be the speaker. Also, from February 9 inclusive smaller fortnightly meetings have been arranged for those who wish to study Social Credit systematically. Readers in the district are invited to attend. Further particulars can be obtained from the Honorary Secretary, Mr. H. J. Stephens, "Coniston," Maxwell Avenue, Westerton.

"FALLACIOUS REASONING."

[This quotation is from a cutting sent us from the United States. The name of the newspaper is not stated.—Ed.]

As a witness before the Senate investigating committee, Mr. Otto Kahn advanced the novel theory that where debts are due a Government and also private lenders, the Government can better afford to wait for its payment than the private lender.

Writing in the *New York Evening Journal*, Claude G. Bowers, the well-known author of "Hamilton and Jefferson," offers an analogy which puts Mr. Kahn's theory to the acid test.

Says Mr. Bowers:

"On the fifteenth of March the Government demanded its quarterly payment of the income tax. There were many thousands of people, hard hit by the depression, who could not afford to pay it.

"In truth these people have many private obligations—private debts. And we should like to see the expression on the face of the revenue collector when a citizen called to explain that since he owed private debts and could not pay both these and the income tax the Government would naturally find no objection to waiting until the debts had been paid the butcher, the baker, the candlestick maker."

Mr. Bowers has clarified in a few words the extraordinary contention of our international bankers that the American people should wait for the money owed to them by European Governments until Europe's private debts to American bankers have been paid.

Let our international bankers who preach this doctrine of expediency for Europe attempt to practise it in dealing with their own Government on the fifteenth of next March and see how far they will get.

Francis Williams.

From several quarters we have been receiving cuttings from this writer's series, "Economics For All," running in the *Daily Herald*. We have seen nothing in them that fixes him as intending to preach Social Credit. One is headed: "Currency Needs A New Basis"; and the basis appears to be that when commodities increase more money should be about. The sentiment is impeccable; but sentiment is not enough to-day; it must be tied to a method.

Summer School for Individual Psychology.

Dr. Alfred Adler, whose psychological teachings are regarded by several of our readers as embodying essential "Social-Credit philosophy," is arranging to hold a summer school on Semmering (Austria) from June 20 to July 10, just after the Vienna Festival Weeks. Courses will be held in German, French, and English. Semmering is a mountain pass two hours' train journey from Vienna. The cost of living in general there is stated to be rather cheap, and the Individual Psychology Association has secured special concessions in addition. Particulars will be sent on application to the Secretary, Mrs. Sofie Lazarsfeld, Seller-gasse, 16, Vienna I., Austria.

Current Sociology.

In spite of British tradition and common-sense, Mr. Neville Chamberlain has been chosen by heredity to convert Great Britain to a country with a Protectionist policy. There was a sense in which this conversion was inevitable; when wisdom is not allowed to prevail the particular kind of folly enthroned in its place is predetermined by the state of mind of the agents, and by the precedents available. The inevitability of Protection in Britain has been a common prophecy in France for several years, French interest in British Free Trade notwithstanding. Protection has come about because Great Britain as a unit has been unable to perceive that her choice was not absolutely restricted to Free Trade within the orthodox financial system or Protection within the orthodox financial system. If it had been, the plight into which the country had fallen was bad enough to provoke change at any price, although enough intelligent foresight had been exercised among the Free Trade versus Protection controversialists themselves to demonstrate that Protection is no solution. Protection is designed to reduce that purchasing-power, the insufficiency of which, in all developed countries, is the cause of all the trouble.

By this time, unless events have occurred which could not be foreseen at the week-end, a weavers' strike has begun in Burnley. Its object, according to the strikers' leaders, is to force the employers' association to discipline its members. It is not a strike against the four, six, or eight loom system, each of which is in operation in various mills. In addition to adopting the four, six, or eight loom system, however, the employers have broken long standing agreements, and have made separate arrangements with their employees both as regards longer hours of labour and lower rates of pay, and it is against these breaches of contract that the strike is directed. It was hardly to be expected that Trade Unionists in general, in view of the quality of their leadership at the present time, should see below the surface of this so-called Capital-Labour dispute; but the employers ought by now to be sufficiently enlightened to view it in a larger frame, and under a wider sky. In protesting against the reduction of their consuming-power gained for operating a system which ceaselessly expands in producing-power, the trade unionists, although lacking in understanding, must be right in feeling. Whether they can find the technical solution of the paradox or not, somebody has the duty to find and to apply it, and they have the right to protest until it is applied. The employers, striving with all their might to bring down their costs of production to the level of world-prices, are trying to dig a bottomless pit. If they were to succeed in reducing their costs at the expense of reducing purchasing-power, the world price-level could not but fall again, leaving the whole process to be repeated. In short, the employers' necessity arises from their willingness to persist in the attempt to operate their magnificent productive-system within an inadequate distributive-system; and their difficulties will inevitably multiply, whatever form they take, until they insist on the reform of the totally inadequate financial mechanism of distribution.

If the trading and financial policy of the community as a whole were right, it would be wrong for the Lancashire employers' associations to "discipline" the recalcitrant Burnley mill-owners, in spite of their expressed willingness, for the sake of peace, to do so. Raw cotton has been exempted from customs duty in order that Lancashire may make it up for export into a world-market the characteristic

features of which are price-competition and supply in excess of demand. Not only all the demand which is already effective, but all the demand ever likely to be effective, for cotton-goods, could be met by a fraction of the world's existing machinery. Part of it, therefore, and part of the available labour, whether in Japan, India, Italy, Germany, or England, is surplus. It is available, from a sane standpoint, for an extension of leisure. Great Britain's tariff-policy, decided upon by the representative Parliament of the community, with the passive support of the majority of the people who form the community, is designed to win for Great Britain a corner in work. Her people, industrialists and labourers, have agreed that unless they do a totally ridiculous proportion of the world's work, they ought not to eat; that they will eat as little as possible anyhow; and that somewhere, overproduction notwithstanding, there shall be surplus labourers who shall not eat. If that policy of monopolising a scarcity, namely, work, is right, it is the duty of every patriotic millowner to act precisely as the Burnley millowners are acting, and anybody who would discipline them is an enemy of the people.

The new protection represents the acceptance by Great Britain of the idea that work is a good in itself; the idea, in short, of the work-state. To express the matter proverbially, to consume is evil, to labour divine. The exemptions of the Dominions and Crown Colonies from import duties is, of course, a prelude to Empire Free Trade, which will not, if the wishes of the sponsors are fulfilled, be merely Imperial or in any way free. Every step taken by Great Britain since the publication of the report of the May Committee has been calculated to make her the one country which recovers its costs. Her method is to starve her people to pay her bank-debts; and her commercial policy to monopolise the Imperial market by declaring a tariff-league against the rest of the world. By that means Great Britain is designed to become the Zion of the United States financiers. When Lord Rothermere first advocated Empire Free Trade one of his major arguments was that Great Britain would then attract vast supplies of American capital. The consequence of that would be that Great Britain would have to pay interest and dividends on the capital to banks and corporations in New York, and would consequently become not only a work-state, but a slave-state, under the dominion of the absentee proprietor. The attraction of foreign, particularly United States, finance, to Great Britain might preserve London as an international banking-centre. It could only degrade the industrialists and people of Great Britain to the drudges of the world, hated and envied, and later destroyed, by the world, for acquiring the monopoly of its drudgery.

Such are the implications of the realisation of the Protectionists' own vision. Fortunately—in this respect it really is fortunate—because of the Protectionists' failure to allow for the impossibility of collecting financial costs in price, their vision cannot be realised. The international tariff-war, unlike the kind of war which the League of Nations exists to stop without studying its causes, has acted in restraint of trade, which restraint cannot but be intensified by England's entry into the struggle. Countries such as Germany have tried the work-state without success, cutting down the home standard of living to the minimum, and practically giving exports away. The United States, capable of being almost self-contained, capable of a vast extension of leisure, but preferring to run as a work-state, is unable to obtain, with the aid of a tariff-wall as unscalable as the walls of Jericho, that elusive thing, work, for ten million employ-

able persons. The chief question for work-states is how much longer the flesh and blood of their folk will stand the experiment without overturning the whole fabric of civilisation. By submissively following the tariff precedent, Great Britain, sometime leader in economic development and policy, has renounced her leadership. Her contribution to the system whereby produce and commodities are exchanged between the countries that are able to make or grow them and the countries able to use them is signified by her twenty-three million tons of shipping, as compared with the United States' less than fifteen million tons. It was a duty appertaining to Great Britain's prestige and practical wisdom to exemplify the way out of the developing world standstill; that is, to exemplify the new financial system which, by stimulating consumption, could employ that fabulous accumulation of shipping. Instead she has entered a war in which every other combatant has defeated itself; she has adopted a policy of preventing the consumption of goods while cheapening them for sale; she has shackled herself to taking work from countries which have already far more of unemployed than she has; and has forfeited all claim to the respect of those erstwhile admirers abroad who felt that Great Britain would strike a light in finance as she formerly did in industry.

The Labour candidate for Croydon is reported to be in favour of no half-measures. He denounces tariff-barriers, and is for the cancellation of reparations dues and war-debts. Alas, as regards tariff-barriers, he and his party know not what they do, and as regards reparations and war-debts, the bankers are before them. Indeed, the unanimity of the Press of all colours with the annual addresses of the Bank Chairmen is one of the modern miracles of simultaneous inspiration. Mr. J. Beaumont Pease, Chairman of Lloyd's, actually referred, in regard to the forgiveness of debts, with great solemnity to Holy Writ: "that second great commandment." Mr. Chamberlain expressed himself on the subject in Parliament in a manner indicative of his having shared the revelation. To Mr. J. Beaumont Pease one cannot refrain from recommending the study of an article in the *English Review*, by Mr. H. Agar, on "War Debts and Democracy." Unfortunately, Mr. Agar apologises for the mentality of the Middle-West Americans whose attitude to the cancellation of reparations dues and war-debts he so clearly presents. On their behalf he rightly reminds us that not the Almighty but Balfour joined war-debts and reparations together; that cancellation is a misnomer, for the simple reason that, any debt America forgave another nation would be added to those of the American people; and that England, although asking for the remission of the balance (one-fourth was forgiven) of her debt to America, does not cancel any fraction whatever of her domestic debt. If England's creditors at home cannot forgive her debts out of either love or patriotism, why should her creditors in America? There can be no answer. On the subject of the cancellation of debts bankers appear never to reflect that the only debts the payment of which is totally impossible are those which, under the existing financial system, are due to themselves. "Forgive us our debts," is the community's, particularly industry's, cry to the bankers. Cancel all others and leave these, and chaos is intensified; cancel those, by the requisite adjustment of the financial system, and all others may be made payable. Cancel the National debt, and many industrialists who have lodged the script as security for overdrafts will be bankrupt in spite of their ability to go on producing utilities. Cancel their bank-debts and finance the consumer, then war-debts, private debts, and reparations, can be paid in goods and in

the opportunity for leisure. The argument now raised by the bankers against the payment of war-debts and reparations is that they have no commercial foundation, and that in consequence the effort to pay them disturbs the commercial exchanges. The argument for the adjustment of bank-debts is that they have a purely conventional foundation, and that their existence prevents the distribution of available commodities; for the startling reason that the debts are owed to the creators of the only credits with which they could be paid, and that every new credit is added to the debts before it can be used to repay them. That is the essential of all debt adjustment, and it is no longer of any avail for the bankers to point elsewhere. Given the appropriate adjustment of the distributive credit mechanism, all creditors but bankers could take goods; bankers never could.

PAUL BANKS.

The Fear of Leisure.

By A. R. Orage.

[Address to the Leisure Society—to be reprinted by the author as a pamphlet.]

I.

I take it that in forming this Society for the Propagation of Right Ideas about Leisure you are not proposing merely to amuse yourselves by, as it were, singing in your bath. You have realised the desperate and critical condition of the world, and you wish to further the cause of world-emancipation by producing a definite and, if possible, decisive effect upon immediate contemporary thought and action.

In particular, you are, I presume, convinced that the next step for the world to take (and, of course, preferably for our own country first) is the adoption of what is called the Douglas Plan and the inauguration of a Social Credit Commonwealth.

No doubt, too, before forming your Society, you each and all considered how best you individually and collectively could help to bring that social order into actual being; and of all the various means at your disposal you have deliberately chosen to concentrate upon the aspect of Leisure.

There are, as you know, a number of different kinds of obstacle to the acceptance and actualisation of the Douglas Plan.

First there are the intellectual difficulties inherent in the novelty and subtlety of both the analysis and the plan itself. They are not trifling, as you all know; and, what is more, not everybody will be able to understand the theory however honestly or hard he may try. On the other hand, the theory is at least no more difficult to understand than a thousand and one others which people claim to understand; and, in comparison with the theory of the Gold Standard, for instance, upon which there appear to be millions of experts, it is elementary. Anybody who in one and the same breath professes to understand the existing Money-system and to be unable to understand Douglas is either wrong about the first or has never given his mind to the second.

Next to the intellectual difficulties there are the practical obstacles—the finding and the putting into effect of the legislative and other ways and means for the practical inauguration of the Douglas Plan. As to these, however, there is no doubt whatsoever in my mind that, provided the Treasury, let us say, adopted the Plan in principle, ways and means for giving effect to it could be drawn up in a week. Where there's a will there's a way.

Mention of the "will" brings us to the third kind of obstacle—the psychological resistances, both to the understanding and, of course, to the adoption of the Douglas Plan. And here, I think, we come to the real nigger in the wood-pile. A sufficient number of people can certainly be got to under-

stand the Douglas Theory at least as a theory. A dozen good parliamentary draughtsmen, in consultation with Douglas himself, could certainly draw up the Statutory orders necessary to start the Plan in practice. But neither a sufficient number of people will trouble to understand the Plan, nor will any responsible official draught a clause of an enabling Act, *until*, by one means or another—despair of the existing order or hope of a new order—the objectives, implied in the Plan, are earnestly and unequivocally desired.

Now I think it is useful for us to have in mind precisely what those psychological resistances are. They are not an infinite number, and they are not indefinable. They are relatively few, and for their understanding we can all draw upon our personal experience, for the simple reason that we all in greater or lesser degree share in them. I am so far from thinking that any Grand Conspiracy could succeed against the community without at least the passive consent of the community itself that I even believe that the Grand Conspirators, if they exist, are only the conscious agents of the unconscious hopes and fears of their victims. And, in my judgment, if the world becomes subjected—as it appears likely to be—to the Grand Dictatorship of Finance, it will be because an overwhelming majority of its population will approve of that form of control, as, at any rate, the lesser of the two evils of world-dictatorship, on the one hand, and a Douglas Social Credit Commonwealth on the other. You can believe that the psychological resistances to the Douglas Theory must in my opinion be exceedingly strong to determine such a choice as that. Well, they are.

Now what are these resistances? These manias and phobias? They are as follows—

1. The Fear of Scarcity.
2. The Moral Associations of Work.
3. Hatred of the Principle of Something for Nothing.
4. Class-hatred, on the one side, and Class-revenge on the other.
5. The deep-rooted convictions that Man is not meant to be happy, that any prospect of happiness is too good to be true, and that even if the conditions were created for happiness, human nature would soon spoil them.
6. The Will to Power, by the simplest and most effective means—the control over the lives of others, and
7. The Fear of Leisure.
8. Fear of any change whatever.

Now of these forms of resistance, both to the fair study and, still more, to the practical institution of a Douglas Commonwealth, your Society has, as I say, deliberately chosen to concentrate upon one. In the Grand Army of Credit Reformers, yours is what I may call the Leisure Division. Obviously if our Grand Army were properly organised, each of these enemy resistances would have a whole Division marshalled against it. There would be a Scarcity Division commissioned to destroy the Fear of Scarcity. There would be a Class-hatred Division, a Too Good to be True Division, a Will to Power Division, and so on. Our Army, however, as you know, is not yet properly organised; it is only a skeleton Army. But your Society, at any rate, has begun to do its bit by forming a Leisure Division to engage the enemy on the Leisure front.

Now I am sure that as the self-commissioned Division responsible for this front, you have thought out your Plan of Campaign. You have defined your objective, you have reconnoitred the enemy position, estimated its strength, and devised plans for taking it. What I am about to say, therefore, will not be new to you. It will simply be a summary, in my own terms, of the conclusions at which you have arrived.

In the first place, then, I am sure you have occupied yourselves in forming and formulating a positive conception of the meaning of the word "Leisure." By a positive conception I mean one calculated by its nature to overcome the fear evoked by the negative associations of the word.

And here let me say that since we have to fight our battle chiefly with words, spoken or written, we ought to be on guard against their two-edged character. Ordinary language is really a very treacherous medium of communication. Since we are not born with a knowledge of words, but have, each for himself, to acquire it, and since, again, our encounters with words are all different, the meanings we come to attach to words are also different, with the result that very often, as Blake said, you read black where I read white. The word "Leisure," for instance, has associations of one colour for A, and the word "Leisure" may be like the blessed word "Mesopotamia," while to B it may be a red rag to a bull. Suppose that A with his Mesopotamian associations tries to recommend the Douglas Plan for its promise of Universal Leisure, he is certain to produce in B the contrary effect of the one he intends. Instead of a friend for the Douglas Plan, he has made or confirmed an enemy.

We try to get over this inherent defect of words by agreeing to agree about their definition. A common definition implies a common agreement upon the meaning, not that we naturally do, but that we will attach to a given word. Definition is the breath of Science; and fruitful discussion in any field presupposes and begins with a common definition.

Now what, I ask, is your Society's definition of the word "Leisure"? You naturally intend by the word something very agreeable and desirable; something that everybody would consider a good if he understood the word as you do. One of your objects, in fact, is "to proclaim that Leisure is a good and moral thing." How do you define it to make it undeniably a good and moral thing? How do you define it to make it both harmonious with the Douglas Commonwealth and have a positive attraction for everybody? In short, how do you define Leisure to make everybody want it, and not only for themselves but for everybody? Douglas can prove that it is possible; *you* have to make it desirable.

A good deal of time could be profitably spent in hammering out a suitable definition of Leisure—suitable, I mean, for the object we have in view. And I have no doubt you have, in fact, devoted a good deal of thought to it. I shall therefore assume that you have come to some such formulation as this—that Leisure is the economic condition of voluntary activity. I use the word "condition," of course, in both senses—as the necessary means, and as the state resulting from their possession. A man of leisure is a man of means, and vice versa. He has the means, that is, to enable him to choose his form of activity. His activity is not forced upon him. Leisure, in short, is free or unforced activity in contrast with the forced activity which, in economics, we call Labour or Work.

I'm afraid that in order to get a perfectly clear conception of the place of Leisure in the Douglas Theory we shall have to put it into fuller relation with this corresponding conception of Work, or Labour. Work, in its economic meaning, is really a very ambiguous term. For when we have defined it as involuntary or forced activity (hence requiring "inducement" in the form of wages or goods to evoke), we have still to distinguish between an activity forced on men by Nature and an activity forced on men by other men. There are, in fact, two kinds of forced work, that is to say, of activity not freely chosen. There is the work forced on Man by

Nature—the work God referred to when he told Adam that, outside of Paradise, Nature would yield bread only in the sweat of his brow. And there is the work forced on man by other men—slave-owners and bankers, for example—who declare from their high throne that men shall not eat, not without Nature's consent, but without *their* consent. Let us call them respectively Natural Work and Artificial Work, and understand that both forms of work are forced—that is to say, neither is the voluntary, freely chosen, self-initiated activity of which complete Leisure is the condition and state.

Several very important ideas, it seems to me, become clear in the light of this distinction.

In the first place, we have the ground for a useful distinction between Servile and Natural Labour—the one being Man-forced and unnecessary, and the other being Nature-forced and necessary; and, we have also the reason for the common distinction between degrading Labour and dignified Labour. There is a dignity in Natural, that is, necessary, Labour, but there is none in Servile, that is, unnecessary Labour.

In the second place, I think we have the material here for a very exact definition of two other words, usually confused. *Liberty* we can define as freedom from Servile Labour; and it is obviously mainly individual. *Progress*, on the other hand, we can define as increasing freedom from Nature-forced Labour; and this, equally obviously, is mainly a collective affair.

In the light of the same distinction we can, however, do even more perhaps. We can perhaps begin to appreciate more clearly the very large outlines of the Douglas Theory as a whole. For the Douglas economic theory, as some of you know, is not just another theory and philosophy. It has deep roots in both psychology and philosophy.

(To be continued.)

What is the Next Step?

By John Hargrave.

[Manifesto to the Kibbo Kift, by the Head Man, published in their monthly organ for February, and to be reprinted by the author as a pamphlet.]

The problem before the Social Credit movement is the problem of power—power to bring about the translation of Social Credit from the realm of theory into action.

The following line of reasoning may help to make the problem clear:—

- (1) The present economic system becomes increasingly unworkable, due to a mathematical contradiction inherent in its financial technique.
- (2) The technical adjustment that would rectify this flaw originating in banking policy and method is known, and has been known, for at least ten years. It is the discovery of Major C. H. Douglas, and is known as Social Credit.
- (3) It is unlikely that the Social Credit adjustment will ever be voluntarily introduced by the bankers and financiers who control International Finance. It is realised that very considerable pressure will have to be brought to bear before any such change can be made.
- (4) The present parliamentary system (i.e., the government of the country) is itself at the mercy of the bankers. Any attempt to make Social Credit a popular plank in an election platform with a view to returning a Social Credit Government to the House of Commons is out of the question, because—
 - (a) Social Credit is a technical subject that could never, in itself, make a popular appeal to the main body of voters; and

when popularised is "too good to be true," and quite unconvincing.

Therefore,

(b) The funds necessary to fight a General Election (certainly not less than £200,000) would not be forthcoming. Furthermore, it should be remembered that the "war chests" of the political parties are dependent upon financial interests, and that a "hint" from the banker is as good as (and better than) a threat. Any political party that felt inclined to espouse the cause of Social Credit would have to whistle for funds, and that is the main reason why no political party can be induced to put forward Social Credit.

(c) Even if, by some strange fluke of circumstances, a government that included Social Credit as a plank in its election programme were returned to the House, the Social Credit part of its policy would be deflected and defeated. A word of warning from the Treasury or the Bank of England would quickly sink the Social Credit plank. If the few really keen Social Credit members of Parliament succeeded in bringing forward their policy, it could be sidetracked or frustrated, firstly, in debate (where amendments would soon whittle-down and wipe-out the essential points of any Bill designed to introduce Social Credit), and secondly, in action—or possibly inaction—on the part of the Big Five at the dictates of International Finance. Effective defeat along these lines would be a simple matter, and some form of Credit Reform (omitting the fundamentals of Social Credit) would be introduced and called "Social Credit." The million-headed voting mass could not possibly tell the difference between a Credit Reform scheme and Social Credit. Such a Credit Reform scheme would be bound to fail. The bankers would then point to it, and say, "Well, we warned you—we told you what would happen under Social Credit." After that, any popular enthusiasm for Social Credit would be dead, and could never be kindled again.

At this point it may be objected, however, that if a government standing for Social Credit as the main (or one and only) plank in its platform were returned to power, it could bring in Social Credit by law, no matter what opposition there might be. We must, therefore—

(d) Suppose that such a government were determined to introduce Social Credit. In order to circumvent the antagonistic manoeuvres of

- (i) Banking and Financial Groupings, and
- (ii) Disgruntled (and possibly panic-stricken) Political Groupings,

The Social Credit Government would have to act with lightning speed, set aside all debating and discussion, and (backed by an Emergency Act) enforce Social Credit by Orders in Council. Without an overwhelming and unheard-of mandate from the voting public this could not be done. Unless it were done, financial interests would sabotage the introduction of Social Credit at the outset by every means in their power. Finance would "rat," bankers would "go slow," and Social Credit would be "stabbed in the back"

at a hundred and one different points by unknown and unseen assassins.

(5) In what way, therefore, is it possible to begin to translate Social Credit from theory into action?

It is obviously a problem of power as between two fundamentally opposed ideas—Social Credit v. Orthodox Banking and Finance.

In the final analysis, it is a struggle for physical power—the power to act.

It is this problem of power, and the next step to be taken in its solution, that I urge you to consider very seriously indeed.

In doing so, we should take into account the following facts:—

A general understanding of the idea underlying Social Credit is spreading rapidly in this country and abroad.

The confidence of orthodox bankers and financiers in their own system of Sound (sic) Finance has been shaken. They are now floundering in a nightmare muddle of meaningless numbers. The result of this is not, and will not, be (as some eager souls imagine and hope), a conversion of bankers to Social Credit. The result is, and will be, a state of mental panic leading to further outbreaks of panic-action. All such action will hasten the economic confusion leading towards internal strife or external war—or both.

The bewildered jumble of the political parties masquerading as a "National Government" has accelerated the break-up of the parliamentary system and may result in a liquidation of the farce of Ballot-box Democracy.

Now the first point to bear in mind in considering the problem is this:—

It does not matter who introduces Social Credit (so long as it is Social Credit and not some Credit Reform substitute palmed off as "Social Credit").

The King-pin of Social Credit is the Price Calculus, and any scheme that omits that is not only not Social Credit, but is a dangerous instrument that can be used for sidetracking Social Credit.

The next point to bear in mind is this:—

The Social Credit movement must develop—and is developing—outside Parliament. It is spreading, not by any kind of organised mass propaganda (there is no money for that), but by personal contact, from one individual to another, and from one small group to another.

The general Social Credit movement will throw up—and already shows signs of throwing up—various Social Credit Action Groups. These groups will deepen and intensify the struggle by introducing in a more and more virulent form "the squirt of poison" (i.e., the destructive logic) of the Social Credit Analysis at public (and private) meetings up and down the country. This is the first phase of action of the Action Groups—to make it impossible to hold a public meeting relating to any economic, financial, industrial, political, social, or ethical subject without having to face the direct challenge of Social Credit.

Action Groups taking part will discover the practical psychological value of wearing uniform when attending meetings.

In our experience of this technique we already find that the "platform" tends to be restive and shaken in its confidence, and the "audience" interested, eager and inclined towards our side, the moment such a uniformed Action Group appears at a public meeting. To be effective such Action Groups must be highly disciplined.

These Action Groups, because they are seen and heard—and easily recognised again—will draw to themselves the support (either open or "invisible") of the public. At this stage in particular such groups should concentrate upon the Industrialist-Producer on the one hand, and the Unemployed on

the other. The tendency will be towards the spontaneous formation of groupings falling into two sections:—

(1) The Industrialists' Social Credit Council (or whatever it may be called); and

(2) The Green Shirts (Legion of Unemployed).

These two sections, working in widely separated fields of action, will tend to converge as economic pressure increases, and will eventually find themselves in the same front-line—the Home Front—facing the same common enemy: the International Banking Combine.

In this general direction and along these lines are to be found, we suggest, the first practical steps towards a solution of the problem of power facing the Social Credit movement.

When the idea has seeded itself and when such Action Groups have sprung up here, there, and everywhere throughout the country, the movement will find means to place a Social Credit Act on the statute book in spite of an impotent parliamentary system, and will take care to defend the new economic regime against any and all counter-Social-Credit reactions.

The Films.

Private Lives : Empire.

"Street Scene" was the first modern film to be photographed with only a single setting; "Private Lives" goes further in a sense by having unbroken scenes running for nearly ten minutes, or approximately a whole reel of film. Robert Montgomery, who plays with Norma Shearer in this screen adaptation of Noel Coward's play, has expressed his preference for the continuous sequence as making it easier for actors and actresses to work up to the required emotional pitch. But the method demands against real cinematic treatment, which demands both the breaking up of the picture into numerous short sequences and their subsequent re-assembling by means of constructive editing. I am not criticising the unbroken sequence when it comes to making a photographic copy of a stage play having witty dialogue, but I fail to see how such a technique can advance the art of the screen. The first essential of a moving picture is that it should have motion.

The Guilty Generation : New Gallery.

The guilty generation are the children of Italian-American racketeers—who are made to suffer by blood feuds for the sins of their fathers. Montague, of course, falls in love with Capulet, and Romeo's assassination on the wedding night is only prevented by Juliet's grandmother shooting her own son. This is strong melodrama at its best, admirably acted and directed, and fast moving in the fashion of which American studios possess, if not the secret, at least the monopoly. Rowland Lee directed, and the excellent cast includes Leo Carillo, Constance Cummings, Robert Young, Boris Karloff, and Ruth Warren. I cannot recall having previously seen Mr. Carrillo in an important part; his impersonation of the racketeer with social ambitions is such a finished performance that I look forward to his frequent re-appearance on the screen.

This is not an underworld film of stereotyped pattern. We are shown very little in the way of actual killing, but much of the home life of the millionaire racketeer, which appears a sufficiently enviable, if not idyllic, existence, despite the constant promise of sudden and violent death lurking round the corner. There is some grim humour in "The Guilty Generation," as when the racketeer declares that "I won't have my son hanging around with a bottle of synthetic whisky taken away by his bodyguard, who justifies his action by saying 'don't you know it's illegal to carry liquor.'" This picture is not only

first-class entertainment; it is characterised by really admirable technique.

This Week's Films.

"Over The Hill," which I reviewed last week, is at the Capitol, and a special pre-release showing of "Street Scene" is being given at Tussaud's. "The White Man" and "The Calendar," the latter an English picture based on a play by Edgar Wallace, are at the Stoll. "Larceny Lane," with James Cagney, goes into the Pavilion programme, and "Strictly Dishonourable" and "Heaven on Earth" continue at the Regal. At the Academy is Trauberg's "The Blue Express" (February 14), with "Warning Shadows" (last days).

DAVID OCKHAM.

Theatre Notes.

By John Shand.

On Thursday afternoon I went to church. The parish church of St. Anne, Soho, is being used this week by the Chichester Diocesan Players to perform their anti-war play, "Disarm!" I don't think I need attempt to describe it except to say it is a series of tableaux with words, and, although doubtless extremely edifying to a certain class of person, the mass of people would agree with me in going to sleep on it. "Disarm!" was, as these plays in church generally but unnecessarily are, a dismal entertainment, the actors solemnly intoning their lines at the rate of about three words a minute—like people in a talkie film taken in slow-motion. As some poets and others believe they make poetry sound impressive by reading it in a manner at once artificial and inartistic, so these absurd mimes, perhaps because they are in a church or acting a "religious drama," speak their lines like some curates intone the Lesson. Needless to say, I was unable to express these opinions in my report of these proceedings for a newspaper. Newspapers would make more cheerful reading if they allowed more candour. I even gave a shilling to the silver collection rather than make myself conspicuous by refusing.

Thus one pays tribute to the world in order to be comfortable! I ought to have held back my hand because I feel that such plays, if they have any effect at all, are teaching a lesson I cannot approve. The moral of "Disarm!" was, of course, that in order to prevent war there must be a change of heart amongst the peoples of the world, for unless the rulers have the people solidly behind them they can do nothing; that the cause of war is fear, and we must learn to trust one another. But pray, what causes the nations to fear one another? The fight for existence, now an artificial product of a defective money system, lies behind that fear. The tragic struggle to export wealth which ought to be consumed at home and other results of disordered book-keeping are the chief modern cause of war; and it is useless, worse than useless, to preach by pageantry or sermon "a change of heart." Our reasoning faculties must be used to solve the paradox of unemployment and poverty: the appeal, however sincere, to vague religious emotions by plays in church is as futile as the call to patriotism by the politicians.

After dinner, I went to see a rather silly little comedy called "Which?" at the Gate Theatre Studio, from the pen of Prince Antoine Bibesco. On the whole the Gate Theatre fare does not appeal to my taste. But Mr. Peter Godfrey, who started it many years ago and still runs it, is responsible for the only consistently successful little theatre in London. Obviously, he knows what to provide for his customers as clearly as Mr. Cochran does on a larger scale. As I know him to be an extremely intelligent man with a genuine love of such eternally theatrical things as clowns and melodrama, I sometimes

wonder what he thinks in his inmost heart of some of the plays which please his special audience. German "expressionist" pieces full of sound and furious talking, signifying nothing: amateurishly written comedies by Rumanian princes full of what some journalists call "daring remarks" and much chatter about who slept with whom. Is this the advanced theatre? Take me back then to Sardou who was at least a professional man of the theatre who could make his puppets move and talk with some adroitness.

"Which?" is the tale of a philanderer alone of his sex in a house containing three women. They all dislike him: which makes it seem strange he was invited. They all fall for him when he plays a trick a schoolgirl would have seen through. He pretends that one of them came to his room but darkness prevented recognition of his new mistress. The women pass from mutual jealousy and denial to separate confession of guilt in private to Don Juan, who in turn politely proves each woman to be lying. So they all make appointments to sleep with him in earnest. Quite a good notion for a light comedy as you can see; but not well enough handled by the author to become one. His dialogue is often clumsy, more often pretends to wit than achieves it, and has not even that stage shimmer which, like greasepaint in the limelight, often looks better than the real thing in the theatre.

The group of French players who call themselves "La Compagnie des Quinze" are now back again at the New Theatre, but I advise those who want to see them to wait until they revive, as they are going to, "The Rape of Lucrece." This version of the famous story which Shakespeare poetised in his youth becomes in the hands of these players a drama intensely alive, poetic, theatric—though its theatricality is of a kind somewhat new to most English audiences. I think I can promise to those who are genuine playgoers that even if, like myself, they are almost so deficient in French as to claim total ignorance of the language, they will find "Lucrece" a production that will hold their interest all the evening. But I have enough French to know that the new play these players have brought—M. André Obey's "Battle of the Marne"—is diffuse, long-winded, and to English taste rather overwhelmingly patriotic. And I know enough of stage matters to be quite certain that except for some groupings of extreme beauty—grouping is a strong point of this company—the piece is neither so well-produced nor so well acted as to make it worth the trouble of bringing it over the Channel.

LETTERS TO THE EDITOR.

MATHEMATICS AND SOCIAL CREDIT.

Sir,—I should have written before to express my agreement with Mr. Cousens on this matter had I not been specially busy when his letter appeared, but the further letter by Mr. Mamlock gives me an opportunity to express my agreement with both of them. The inclusion of what the latter quite correctly describes as "elementary mathematics" in my books is only intended as an alternative form of logic to the verbal method which in every case accompanies it, and, as I have repeatedly said, does not prove anything in regard to the premises.

I also agree wholeheartedly with Mr. Mamlock that mathematicians are a little prone to mistake a correct logical process as a proof of a correct premise with which, of course, it has nothing whatever to do. I have, myself, noticed the quotation in Sir James Jeans's book, to which he refers, and had recorded it as an instance of the unscientific methods of many scientists in dealing with a subject which is not their particular speciality.

C. H. DOUGLAS.

LAND UTILISATION SURVEY.

Sir,—After carefully reading Mr. Willatt's letter I am unable to see any reason for the Survey. I read "The Survey aims at making a complete picture of the surface of Britain at the present time. . . ." Why?

As regards the small office staff of which Mr. Willatt

speaks. Dr. L. Dudley Stamp, B.A., D.Sc., writing in the Scottish Geographical Magazine for May, 1931, mentions this as being "a staff of one." I think the London School of Economics is to be congratulated on getting so vast a work done with such economy to itself. AQUARIUS.

SOCIAL CREDIT POLICY.

Sir,—As I was concerned, rather prominently, in consultation with some of the most active Social Credit friends in London, in persuading Miss Alexander to give up residence in Belfast and come to England in order to devote the whole of her time (unpaid) to secretarial work on behalf of Social Credit, may I correct an error in the opening paragraph of your article, "The Economic Mordant."

None of us concerned ever contemplated that Miss Alexander's work should result in a widening of the Movement to include all Credit reformers. That was attempted by an organisation which came into being long after she had returned to Belfast—The Economic Freedom League.

However Miss Alexander may have modified her views since 1925 it is only fair to put on record that during the months of her devoted service, which involved hundreds of hours of secretarial work, in the course of which she was in touch with something approaching 1,000 people interested, or likely to be interested, in Social Credit, she was 100 per cent. Social Credit. Her efforts were devoted to fostering and increasing the enthusiasm and activities which had been revealed at the Conference held at Hope early in 1924.

One thing is beyond any doubt, and that is that neither Miss Alexander nor those associated with her endeavoured to dilute the Movement so as to include all Credit reformers.

A. L. GIBSON.

[We thought we had explicitly avoided the appearance of imputing responsibility for the "failure" to any individual. As apparently we have not succeeded, we are glad to publish Mr. Gibson's letter. Whatever were the differences of view on question of policy, everybody appreciated Miss Alexander's services, and will be pleased to see them publicly recorded. As to the exact nature of the policy, we yield to Mr. Gibson's memory—our impression, when we wrote, was that there were two questions of policy coinciding or overlapping at the time; the one being that of centralising the organisation of the Movement, and the other that of widening it. Advocates of the "widening" policy need not be considered as having "endeavoured to dilute" the Movement: it was the view of opponents that the widening would result in dilution—which is quite another matter, and does not reflect on the intentions of anybody.—Ed.]

"A COURSE IN ECONOMICS."

Sir,—With reference to the enquiry of S. E. L. B., I can thoroughly recommend *A Synopsis of Economics*, by Mrs. Gertrude Williams, B.A., Lecturer in Economics to the Bedford College for Women. (Methuen, 4s. 6d.). This book covers in readable form. Production, Value, Money, International Trade, Free Trade and Protection, Wages, Interest and Profits, Rent, Commercial Fluctuations, and Public Finance. The author has the happy knack of analysing the pros and cons of the matter without imposing opinions, and it is altogether a very useful book for anyone who wishes to get a bird's-eye view of the subject. Moreover, there is a useful bibliography at the end of each chapter leading the student on to the larger text-books of the subjects dealt with in the chapter. F. G.

SPENGLER AND "THE CULTURE CYCLE."

Sir,—In your issue of December 10, under the title, "The Culture Cycle," your contributor tries to show that by the use of Social Credit we may perpetuate Western Civilisation and avoid that decay which in all previous cultures was so inevitable and so fatal. Your contributor says that Spengler gives no reason why cultures should decay and die. This is not true. Spengler specifically states that having exhausted their possibilities they die from inward necessity.

Now, it is the core of Spengler's argument that we can never understand the birth of a culture, the growth and character of its prime symbolism, and its decay and death, by applying any intellectually conceived laws of causality. And it is equally impossible to graft on to Spengler's work a supplement like the article in question, that is based on the laws of cause and effect. The two methods stand in absolute contradiction. The futility of your contributor's method is obvious if we use it to ask why cultures are born or why they develop their own grand symbolisms. To such questions there is only one answer—Spengler's "inward necessity."

But why set such a goal as the reward for Social Credit? Surely, it will be enough that Social Credit may help us do the "necessary" that will carry this civilisation to a glorious close.

Canada.

C. F. SMITH.

ANSWERS TO CORRESPONDENTS.

THE I.C.F. CONFERENCE.

To several enquirers.—There was, we understand, an intention to issue a report of the proceedings of the Conference recently held, but according to recent information it may be an abbreviated one, while some uncertainty was expressed at the I.C.F. Headquarters to an interviewer whether the document would be available to the public. Readers interested had better communicate directly with the I.C.F. We shall, of course, publish further news of general interest that may reach us.

EIMAR O'DUFFY author of "Life and Money," "The Spacious Adventures of the Man in the Street," "King Goshawk and the Birds," etc., writes *each month* in "BRANCH NOTES," published by the L.C.C. Branch of the National Association of Local Government Officers and obtainable only from the Editor, Flat Eleven, 5, Powis Square, W.11. Annual Subscription 3/6.

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The Social Credit Movement.

Supporters of the Social Credit Movement contend that under present conditions the purchasing power in the hands of the community is chronically insufficient to buy the whole product of industry. This is because the money required to finance capital production, and created by the banks for that purpose, is regarded as borrowed from them, and, therefore, in order that it may be repaid, is charged into the price of consumers' goods. It is a vital fallacy to treat new money thus created by the banks as a repayable loan, without crediting the community, on the strength of whose resources the money was created, with the value of the resulting new capital resources. This has given rise to a defective system of national loan accountancy, resulting in the reduction of the community to a condition of perpetual scarcity, and bringing them face to face with the alternatives of widespread unemployment of men and machines, as at present, or of international complications arising from the struggle for foreign 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 produce effective demand for the whole product of industry. This, of course, cannot be done by the orthodox method of creating new money, prevalent during the war, which necessarily gives rise to the "vicious spiral" of increased currency, higher prices, higher wages, higher costs, still higher prices, and so on. The essentials of the scheme are the simultaneous creation of new money and the regulation of the price of consumers' goods at their real cost of production (as distinct from their apparent financial cost under the present system). The technique for effecting this is fully described in Major Douglas's books.

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