

THE NEW AGE

INCORPORATING "CREDIT POWER."

A WEEKLY REVIEW OF POLITICS, LITERATURE AND ART

No. 2065] NEW SERIES Vol. L. No. 23. THURSDAY, APRIL 7, 1932. [Registered at the G.P.O. as a Newspaper.] SEVENPENCE

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NOTES OF THE WEEK.

A short time ago reference was made to the case of Miss King, principal of the Girls' High School, Dunedin, New Zealand, who annoyed the Board of Governors by publicly heckling some posh politician who was pumping Niemeyerism into an audience of British subjects. Miss King, having taken the trouble to study Major Douglas's analysis of finance and economics, was not prepared to take lessons from a teacher trained on nothing but headlines in subsidised newspapers. A correspondent elsewhere in this issue carries on her story, and we are glad to see that she is being supported by her own professional organisation. A newspaper report says that the Board of Governors, who had passed a resolution last December limiting the political activities of teachers, have recently rescinded it. The original resolution said that as the schools were maintained for the education of children "irrespective of the political opinions of the children's parents," teachers should be "debarred absolutely from any active participation in political matters and from an expression of political opinions in the schools, in the Press and in public meetings," and that their doing so should be regarded by the board as a "flagrant breach of trust." The resolution requested the Minister of Education to consider passing legislation accordingly. At a later meeting (the one now reported) a letter of protest was received from Miss King, who claimed that she had been "condemned without trial." A letter, also, from the Minister of Education was read in which he said it would "not be wise to interfere with a teacher's activities as a private citizen so long as such action did not bring discredit on the teaching profession." After lengthy discussion the following resolution was substituted:

"That this board disclaims any desire to prevent an expression of opinion by school teachers on questions of public interest that are unrelated to Parliamentary or civic elections and that are not matters of political party controversy."

So far so good. But the interpretation of the new resolution will have to be watched; for it is in the

power of the bankers to relate any "question of public interest" to Parliamentary or civic elections, and thus turn them into "matters of political party controversy," whenever they wish to do so. And apart from their wish, it is doubtful if any question becomes a matter of public interest in an effective sense until two or more parties take sides and have a row about it.

For example, a week before Sir Otto Niemeyer landed in Australia last year, such matters as "repudiation," "inflation," "currency control," etc., were inert academic designations whose significances had not the slightest relation to existing party interests—their mere recital at that juncture would have evoked no reaction from any party-leader or party-executive beyond a vacant gape. As for Sir Otto Niemeyer himself, there was a disposition among newspapers of all party-complexions to regard his arrival with suspicion—a disposition exemplified in the case of the *Melbourne Age* which virtually asked in a leading article: "What's this fellow after?" and followed the query up with the warning: "If he's here to interfere with Australian domestic policy he'll soon be told where he gets off." Readers will remember how, within twenty-four hours, the banking interests had told the proprietors of the *Melbourne Age* where they got off, and how in their very next leading article they publicly got off and offered fulsome thanks for the tip to do it and the advice how to do it. "The dog it was who died."

Now, the retreat of this "Advance-Australia" organ marked the inception of the Bankers' Party and the transformation of the aforementioned academic technical words into inflammatory political material. You will search in vain through the constitution and traditions of any of the pre-Niemeyer parties in Australia for the remotest hint that Governmental control of credit policy was *ultra vires*, yet to-day we are faced with the spectacle of an electoral majority assenting to that new doctrine, and putting into power a Government who explicitly make it the foundation of their policy. How is it

possible, then, for any Australian citizen to enter a caveat against this doctrine or to advocate any measure—any question of public interest—which is manifestly or even only impliedly in conflict with it, without thereby identifying himself or herself with a political opposition, that is to say a "party"?

Now, if there is one section of the community collectively better able than any other to disclose the implications of this doctrine, and to play havoc with the inconsistencies and incoherences of the bankers' reputedly scientific justification of their policy and practices, it is the teaching profession. Therefore, both as citizens and as patriots, they should be the first in the field of warfare against financial autocracy rather than the last. Yet, under such a resolution as that adopted by the Dunedin High School Governors, supposing it to have been made part of the law of the country, the activities of teachers in this direction could be rendered illegal at any moment. All the bankers would have to do would be to hire a person to stand for election on a programme involving the issues under discussion; and immediately the teachers would have to retire from the fight. They might affect the voting! Well; and who are better qualified to make the attempt than a body whose life's work has been, and is, to acquire knowledge systematically and to impart it intelligibly? It will be seen, therefore, that the resolution inspired by the Minister of Education, the Hon. R. Masters, is as reactionary potentially as was the Governors' resolution flagrantly. The Governors' second thoughts are more dangerous than their first for the very reason that they look harmless. Miss King could be gagged effectually under either.

The time to forestall that contingency is now. Readers of this journal in New Zealand (not to speak of elsewhere) would do well to promote discussion along such a line as this: What is the definition of party-politics as distinct from politics?—what is the definition of a subject of "public interest" as distinct from a subject of "political" interest, or "party-political" interest? The elucidation of these points would provide a stimulating intellectual exercise in itself; while the practical implications of it speak for themselves—they not only affect the freedom of teachers to be citizens out of hours, but also that of all public servants. Unless the position of these groups taken comprehensively is intelligibly defined, political controversy is likely to lapse into the ridiculous position where those who know most must say least—where ladies with Miss King's attainments shall be outvoted by any gin-swilling Mrs. Gamp who happens to be spouted out of a pub-door to spout views from a soap-box.

Our own contribution to such a discussion would be to propound the following test of the "party" element in political programmes: namely, that the measure of such party element in any proposal is the measure by which it is calculated to disturb the balance of economic interest existing at any given time within the community. To-day it is so largely true as to be axiomatic that no Government can take a single practical step towards realising any political ideal without causing the transference of money from some people's pockets to other people's pockets. Thus "justice" or "equity," or "progress," and so on, however conceived, involve personal subsidies for their achievement; and parties exist with the main object of dodging the incidence of the sacrifice, an object which they wrap up in statements of high principle according to their status and condition in industry and society. In theory Parliament may be considered as a party round-table conference at which the economic cost

of political justice can be equitably distributed: but in practice the attempt must always fail because no two concepts of "equity" will ever coincide. There seems no way of building up a system of general fairness except on a foundation of particular unfairnesses. As proof, you have only to think of the slogan "Equality of Sacrifice" now familiar in every country, and the mixed reception that every attempt to give it administrative interpretation meets with.

In these circumstances, teachers and civil servants, if forbidden to take part in political controversies involving economic consequences, are logically debarred from taking part in politics altogether; and if that is the intention they should be told so. Of course, in that case, members of the teaching profession ought not to become candidates, or even run candidates, for local and national legislative bodies. If they should point out that miners, railwaymen and other unions do so, the answer would presumably be that the latter derive their income from private enterprises kept out that miners, railwaymen and other unions do so, the answer would presumably be that the latter derive their income from private enterprises kept going by the voluntary patronage of consumers, whereas teachers and public servants derive theirs from taxation levied on all citizens whether they like it or not. The distinction is only a formal one, because nowadays the system of charging prices is as coercive as that of levying taxes. In fact, as students of Social Credit are aware, the two systems are one, and are designed and administered by powers beyond the control of Parliament for purposes of their own.

This leads us to an important point—one which should be stressed on every occasion: namely, that the real taxing authority is a private enterprise. The position in every country is precisely the same as if the revenue and expenditure of the country had been handed over to the banks in much the same way as it is being suggested in this country that the Post Office should be transferred to a commercial corporation. Therefore every teacher and civil servant is a private employee, and, as such, has the right to exercise all the functions of a private citizen. In Britain, the Bank of England (as Mr. Montagu Norman has explicitly said) is indistinguishable from the Treasury; and the Treasury (as was brought out in the recent Report of the Civil Service Commission) is the hirer and paymaster of all the servants in all the Departments of the State. Every teacher in this country is an employee of the Bank of England, not of the Minister of Education; and so too is every teacher in New Zealand, including Miss King, whose duties and emoluments are prescribed under the Bank of England's supervision by the central-banking directorate of New Zealand. Even the Hon. R. Masters is one of their servants—the only distinction between his position and Miss King's being that he is a casual labourer, taken on or stood off according to the issue of a general election.

In pursuing this line of argument one may be met by a debating point put in the following form: "Well, supposing it be granted that teachers are not State servants but Bank servants, does not that imply a duty on them to observe the proprieties attaching to service in an impartial institution which performs the public service of holding the scales evenly between clashing economic interests?—ought servants of what is a judicial authority to take sides in the disputes of litigants?" Granting, for the sake of argument, the false assumption that the banker is impartial in the sense that a judge is, it would still be driving the logic of the challenge to an absurd extreme to deny teachers the right to discuss the facts involved in the judgments, and the

effects of the judgments. The fact that officials of the Big Five banks have to use circumspection is irrelevant, for they might cause injury to the particular bank employing them if they identified themselves, and therefore it, with one interest rather than another; or on the other hand their activities might lend colour to the insinuation that the directorates of the banks were conniving at the open political activities of their servants as one method of touting for business. If the bankers chose to say that the political activities of teachers might similarly injure the interests of banking, that would be a different matter and we should be only too interested to hear them explain how. (For we know how, and could mark their papers for them!) But further argument within the framework of the assumption we started with is purposeless; for the impartiality attributed to the banks is a myth: they are, collectively, in competition—and implacable competition—with all other interests collectively. They compete, not for profits as such, but for the power to initiate national policy comprehensively and simultaneously in every plane of human thought and activity—religious, moral, educational, commercial, and so on. That power resides in the control of money, and depends not so much on how much money they control as on how little anybody else controls. And it is precisely because everybody else controls so little that politics is popularly identified with party feuds and struggles.

Taking the subject of educational policy no one will assent to the proposition that the bankers, as such, have better credentials or qualifications for setting the objective and designing the methods of the policy than the general body of parents, and certainly worse ones than teachers and other people concerned with it. Yet it is the bankers who are the arbiters of education. Their control is not realised, because it is not directly imposed. The obstacles they place in the way of educational policies of which they disapprove appear natural obstacles to the authorities immediately concerned with them. The predominant and all-prevailing obstacle is that of *Cost*. Teachers' salaries, school-equipment and so on are measured by the taxpayers' ability to support the expenditure. And to a large extent the subjects of tuition are graded in importance by reference to their comparative use to the child for the performance of a job when he or she leaves school. The tuition must be a cheap revenue-earning asset; and the less it costs in relation to the profit it earns the "sounder" the education! The bankers do not lay down any laws to this effect, but they produce conditions in which educational authorities are driven to discover the laws for themselves—although the latter must now be beginning to feel doubtful of the sense of training children to do jobs when there are none to be had now and little prospect of any in the future; logically they should train them to support inactivity patiently. The same authorities, again, realising that they are hampered by a short supply of money, that in addition to the taxes they use they have to resort to borrowing, naturally become impressed with the value of "thrift" and "saving"; for they believe that loans come out of previous savings. Hence, to them, what more obviously sound than the policy of teaching the child to save, as well as to earn, money? So obvious indeed that there is no need for the bankers to suggest the idea. The basic assumptions underlying educational policy are (a) that the existing scarcity of money is natural (b) that additional money can only be got by doing work (c) that without private saving there can be no public borrowing for desirable development. All three have been proved fallacious by Major Douglas; and therefore every teacher who is dissatisfied with his salary, or

with the discomforts of his work, or with the frustration of his ideals, should investigate the proof.

One more than usually important truth arising from the Social Credit analysis is that the practice of personal thrift, thought to be necessitated by the scarcity of money generally, is a direct contributory cause of that scarcity. When a teacher inculcates thrift in a child he is virtually training that child to hand over, now and throughout life, all the earnings that he can live without into the control of the bankers. With the transference of that money he also transfers his power of initiating policy of any sort. This truth cannot be made manifest in a single case, but when the cumulative effect of such teaching on the children of a country is considered in conjunction with similar teaching, and prompting and incitement in the pulpit, Press, and other educative agencies, the situation is entirely altered. You get a collective diversion of money from the consumption to the investment market; and this latter market is an agency through which the bankers receive money paid for something that is not money—documents that cannot function as money but must be changed back into money if the holders wish to recover their power of political initiative. It is on the point of this "changing back" that the mass-investment differs from the individual one. For in the case of one or a few investors they could convert their securities by selling them to other investors, probably for the same money as they originally invested. But since it is only from investors that the money can be collected (i.e. banks do not hold themselves open to buy securities except as they wish and at their price) the more of them who try to sell at the same time the less they will get. That is to say, it is one thing for a large body of citizens to convert their spare consuming-power (which reflects their effective political power) into securities, but quite another for them to reconvert the securities into consuming-power. It can't be done: the bankers have arranged that it cannot.

The use of the schools by the bankers for their own publicity purposes raises a political issue upon which it would be ludicrous to deny teachers the right of expressing a view in the hearing of parents and other citizens. And it will be found that by isolating in other directions as well, and examining the policy and methods of the bankers in relation to the rest of the community, a comprehensive political issue will emerge, on which teachers and all other public servants can take sides without any breach of that neutrality to party-politics which they are supposed, in various degrees, to observe. Exactly how this neutrality is conceived by those who want to exact it is rather a puzzle. Last week, for instance, at educational conferences in this country, bodies of teachers were considering the formulation of a claim for the restoration of part of their salary-cuts as a first charge on any surplus revealed by the Budget. There seems to have been no impropriety in this, although it savours of party politics, and would certainly rank as such under the definition that we have laid down. At any rate *The Times* makes no such charge against the teachers, but rather expresses its sympathy with their condition and reassures them that they "will not be overlooked when prosperity returns." (March 31.) All we have to say on this is that unless teachers or any other victimised sections of the community take steps to ensure that they are not overlooked before prosperity returns, prosperity will not return. And putting in claims for priority of relief is not the way to get out of the trouble. The old snag of "equity" will crop up, and the result will be a renewed storm of controversy between teachers and

other claimants, in the midst of which the bankers will sit still and do nothing. Disputes between non-banking interests play right into the hands of the banking interests. The more interests clamouring for a portion of any share-out acknowledged to be possible by the Chancellor of the Exchequer the more evident it will become that the share of any one of them is not worth agitating for.

What has to be done is to show that the "return of prosperity" is not a question of a lapse of time, but one of the bankers' decision now. The essential conditions of prosperity have never gone anywhere from whence to "return." They are here, and their translation into actual benefits is an immediate possibility. What "touched a nerve" in the Dunedin episode was not Miss King's intervention into politics, but the line she took in her criticism of the orthodox political programme. According to our recollection it was to challenge the validity of the economy levies generally, instead of protesting against the incidence of any one of them. Not a single economic (and therefore "party") interest was threatened by her challenge; on the contrary, all stood to gain if she was right. The only legitimate fear which she could have evoked (and that would depend on how she formulated her attack) would have been that of citizens holding New Zealand Government Securities, who might have construed her as intending to make them the scapegoats of the relief afforded elsewhere.

If that happens to have been so, the moral is for the whole Social-Credit basis of such a challenge to be fully propounded in future. It should be declared, even if in advance of the proof, that the source of the relief, or the "prosperity," is an impersonal one—an unclaimed and unowned reserve of purchasing power that can and should be claimed and owned by the whole community—which it certainly would be when once its existence was disclosed. If anybody then objected to the declaration on grounds of propriety he would be self-discredited. Major Douglas's theorem and its practical implications have no more to do with professional or political proprieties than any other of the epochal discoveries of past ages.

Work or Hobby.

By John Grimm.

For the first time since my youth I had a look through Mark Twain's *Tom Sawyer* the other day, and came across a definition of "work" which struck me as useful, namely: "Doing something you don't want to." Curiously enough this happened only a couple of days after having been struck by a casual remark of a friend, which was: "Find out what a man's hobby is, and you've found out what his proper work is." We had been chatting about the curious activities people engaged in when off duty, he mentioning instances of two railwaymen, one a guard who bred canaries and the other a porter whose pursuit was microscopy. We had agreed that it would be most interesting if Social Credit supporters made it a sideline of their activities to collect information of this sort. It is a much better method than that of saying to anybody: "What would you do if you had such and such money?" because so often he gives the sort of reply that he imagines you want to hear, or that flatters his character; whereas he cannot deceive himself about what he is actually doing with the money he has got. Take Mr. Montagu Norman. His proper work, according to my friend's test, is collecting pictures and furniture, not running a central bank. Look at

his photograph in any of the papers, and the fact screams at you. You can easily see that his reputed genius for diplomacy so far as it is authentic is only a refinement of the faculty used by bidders at auction sales to spoof other bidders. The man's "greatness" as a financier may be, and probably is, pure myth. In New York they call him a "Crusader"—and besides that, for the job he is paid to do he does not need to have any other qualifications than those he brings to the job he wants to do. His celebrated gift of "Silence" with regard to his work is quite compatible with no more than a moderate knowledge of its technique. It is easily possible to engage in the high politics of finance without knowing a thing about the root principles of finance, just as it is possible for a broker to wangle the purchase of a picture at his own price without knowing how to appraise, much less paint, a picture. It is quite possible that Mr. Norman could know nothing, for example, of the chain of financial cause and effect that eventuates in the break-up of landed estates and the dispersion of ducal heirlooms and other effects, while knowing all there is to know about where to pick them up on the cheap in sale-rooms and elsewhere.

This is not to suggest that Mr. Norman, the collector, deliberately produces economic crises as a banker in the furtherance of his hobby, but it evokes the ironic reflection that all things work together for good to those who serve the credit monopoly.

Some hack, writing in the *Evening News* recently on Mr. Norman, stated in two almost consecutive sentences (a) that when Mr. Norman went travelling, he was there before anyone knew he had started; and (b) that the moment he boarded ship to go anywhere the news was flashed by air and cable to all quarters of the world. The two apparently contradictory statements are compatible if you assume two groups of people, one entitled to know, and the other not. Thus, one can suppose a curio-hunter about to be first at the shop of some curio-dealer. If the other curio-hunters were smart they would have arranged some system of watching their rival's movements, in which case they would all get news of the projected visit, while the dealer would remain unaware of his prospective spoliation. Or one could suppose a syndicate of curio-hunters sending one of their number to procure the booty in their joint interests, and another syndicate keeping watch on them. Either position would explain the live publicity in one direction and the dead silence in the other. One might assume a sort of honour among the hunters which obliged them to keep the dealers in the dark so as not to spoil the market. And so, all the noisy celebrations in the Press of Mr. Norman's silence, and all the frank narratives of his furtiveness, fit into the picture: they represent the applause of a claqué of money-mongers, whose success depends on the situation in the public mind that the agent of their ramps is a superhuman personage. As a matter of fact there is nothing more wonderful in Mr. Norman's aliases and disguises than one would attribute to a millionaire's changing into old clothes in order to go to an obscure pawnbroker and buy a valuable curio for a low price—or than one actually attributed to the unspeakable Thomas's idea of changing his dress-suit for green corduroys when he went to buy a decision from that famous railwaymen's conference. It is all the same wangle—the differences depending solely on how much money the respective operators are able to use to work it.

The new Bank of England, considered as a structure, is the most costly curio, or curiosity that it has occurred to any collector to acquire. For it is nothing else—at least on the showing of the bankers. In the *Sunday Express* of March 27 there was a double-column article on the front page entitled "A London Fort To Hold £150,000,000 Gold." The writer

reports Mr. Norman's original instructions to the architects as follows:

"I want the new Bank of England made so impregnable that no one could even steal so much as a half-sovereign from the vaults. Even the theft of that small sum would ruin our prestige of being 'As Safe as the Bank of England.'"

Assuming that this is authentic, and that the speaker meant what he said, Mr. Norman is well described as a "Crusader"—he betrays the same horror of theft from his Bank as the old Crusaders professed at the desecration of the Holy Sepulchre by the Infidels. Who on earth is to know when and what gold is ever stolen unless the Bank Directors choose to tell? They could send their whole stock out of the country without anyone being the wiser—as was proved when the Bank of France concealed for two or three years the fact that £20 millions of gold which it professed to have in its vaults was actually in the vaults of the Bank of England.

The safes alone, in the Bank, are to cost £500,000. And a reading of the list of gadgets, contrivances put in to protect the contents from "Fire, Dynamite and Bombardment"—not to forget preparations for "drowning intruders"—ought to make anyone with only an elementary knowledge of the money system wonder whether the directors are not throwbacks to the savagery and superstition of antiquity. (Deeper students will, of course, realise that the initial inspiration of "central-bank collecting" is not so silly as it looks—but that is another story.)

Another figure in world-finance is the new U.S.A. Ambassador to London, Mr. Andrew Mellon. His hobby, according to the *Sunday Express*, is collecting pictures! He and Norman ought to get on famously together. One is almost tempted to wonder if the callousness to curable suffering which these great men seem to exhibit is not the product of a perverted aestheticism rather than that of a perverted moral philosophy—a repugnance to generalised prosperity as an element that would flatten out the contrasts which constitute the artistic quality of their world-picture, in which boom and slump, war and peace, are light or shade and form or colour.

The idea gathers support from consideration of another sort of hobby which has been filling the newspapers recently—namely that of rescue work among fallen women. The strong appeal which this hobby exercises over certain types of social reformers is not incompatible with sincerity of motive and purity of conduct; nevertheless, one may legitimately wonder whether these people ever contemplate the complete success of their efforts, or whether such contemplation would be congenial to them. Would the disappearance of the fallen woman take the thrill out of their service?—flatten the light of their picture?

This speculation is directly related to the problems of the Social Credit advocate. Take the provision in Major Douglas's recent scheme for Scotland where the National Dividend is calculated to be something like £300 per family, or, say, £100 per adult. With a sum like that distributed the only fallen woman who would remain to be rescued would be the congenital courtesan—the woman who didn't want to be rescued—the woman whose "falling" was as much a hobby as was the "lifting" to the social reformer. A curious dilemma. And no one can deny that to the aesthetic soul the picture of a kindly individual reaching down a hand to help up an erring sister is twenty times more artistic than that of her helping herself up by cashing a State dividend-warrant at the Post Office. Social Credit certainly does uglify certain things for certain types. One can only hope that when the time comes these disemployed reformers will draw upon their reserves of adaptability, and honestly seek another hobby.

N.S.W. Douglas Credit Association.

We renewed our operations for the year on January 18, and have found an increased interest by the public in Social Credit.

We have now established branches at the following centres: Arncliffe, Artarmon, Ashfield, Brighton Le Sands, Bathurst, Balmain, Corimal, Drummoyne, Double Bay, Darlington, Eastwood, Gordon, Kensington, Kincumber, Leichhardt, North Bondi, Newtown, Pymble, Punchbowl, Parkes, Ryde, Ramsgate, Rose Bay, Randwick, The Trades Hall, Petersham, and Waverley. These branches have memberships that vary from 30 to 200; the average would be about 100. They mostly meet once a week, and manage their own affairs. When a branch is formed, the Central Office sends a lecturer, who delivers four introductory lectures covering the general outline of the subject, and when branches are founded for a short space of time they carry on their propaganda in their respective districts. The larger branches have audiences of 200 at their meetings. In addition to these branches we have a large number of study groups, which we hope will become branches in the course of time. These Study groups are mostly in the country.

Between January 18 and the 18th of this month we have addressed 60 meetings (exclusive of branches), the audiences numbering from 30 to 600. The average attendance would be about 125. The applications for lecturers are coming in at the rate of about five a day, and on one day we had fifteen applications.

Forty of the country papers have agreed to take our contributions for insertion weekly, and the number is increasing each week. We are very hopeful of this avenue of propaganda.

The first edition of Major Powell's *Deadlock in Finance* is nearly exhausted, and we have ordered a second edition from the printers.

We are keeping in close touch with our friends in New Zealand, our average mail to the Dominion being fifty letters per week. We are supplying them with our literature. The Farmers' Party seems to have strong Social Credit leanings, and their weekly paper is very interested in financial matters. We are getting into contact with their editor to see if he will publish articles. Captain Rushworth, a member of Parliament, has been holding a Summer School on Douglasism. Enclosed herewith please find a newspaper cutting (the paper not being mentioned) that we have received from New Zealand, dealing with Miss King, whom we mentioned in our last letter. The Teachers' Federation and other bodies, we understand, stood firmly behind Miss King. A visitor from Dunedin informed us that we were in contact with more embryo Douglas organisations than they were aware of in Dunedin. New Zealand seems greatly interested in the system.

We have circularised all branches in the Commonwealth with the view of forming an Australian Association, and offering to make Sydney the present headquarters. Our present staff is more than capable of handling the additional work, and it is remarkable the number of young business men and accountants that have offered their assistance, if it should be needed, since the beginning of the year. The *Deadlock in Finance* has had the effect of waking a number of these men to a realisation of where the flaw lies in the present system. Our office is at present despatching about 500 letters per week.

Enclosed herewith please find cuttings of Lang's speech in Parliament on the Default Bill. In the cutting from the "World," please note the article by R. T. Irvine (the Professor who made Major Douglas's "Economic Democracy" and the text-book for Honours at the Sydney University) and the fable, "Labour Costs and Suffering Squatter." The "World" is an evening paper, financed by the Australian Workers' Union, and is in support of the Federal Labour Party and strongly anti-Lang. There is a move for Mr. Theodore to be put in charge of it. We are informed that both Messrs. Scullin and Theodore are convinced Douglasites. This may be, but the paper gives Douglas a large amount of publicity. R. P.

239, William-street, King's Cross, Sydney, Australia.
February 24, 1932.

The Journal of the Royal Society of Arts for February 19, containing Mr. J. A. Hodgson's paper on Communal Waste, to which Major Douglas called attention in a recent address, can be obtained from the author at Eggington House, Eggington, Beds., for 1s. 2d. post free. Copies are not now obtainable from the publishers.

Current Sociology.

Five year plans appear to be the fashion. The *Observer*, with a fanfare of trumpets to celebrate the balancing of the Budget, introduces Mr. Chamberlain as no "Churchillian magician striking gold from the barren rock." (Surely it should have been striking the golden calf out of the barren rock.) Mr. Chamberlain is the boy to plan ahead. By the end of the five years over which the *Observer* hopes the National Government will remain in power, Mr. Chamberlain will have put the national finances on a sound basis. What the *Observer* regards as a sound basis emerges. It means the old indispensable basis of sound finance, together with some relief to the direct taxpayer, who cannot be expected to bear such burdens as this year's more than once. Let there be no doubt that the speeches and cheers at this moment are very like the banquet offered to a prisoner on the morning of the hanging. In the first place, the celebrators are quite aware that the Budget has balanced only by means of a cooking of the accounts. Sums have been placed to the sinking fund which were in fact already there, for example, the twelve and three-quarters millions out of the total of twenty-three million in the dollar exchange reserve fund. In addition forty-eight millions, for Unemployment Benefit and interest on National Savings Certificates, have quietly been added to the National Debt, which, on a balanced Budget, is accordingly higher than at the beginning of the taxpayers' year of heroism.

The chief source of new revenue for the next Budget is the Customs. But the old sources of revenue are certain to deliver reduced amounts. The income-tax in the Budget just "balanced" was calculated on the previous year's incomes; in the next Budget it will have to be calculated on the lower incomes all-round of this year. There seems no reason to find fault with the *Economist's* estimate of twenty-five millions out of which to give relief, provided that the country can, with its present financial system, remain a going-concern for another twelve months. Twenty-five millions would enable a few coppers to be taken off the income-tax to please the *Observer*. For all the others who made sacrifices—because they were forced to do so—to preserve the solvency of the nation there would then be no relief at all. Soldiers, sailors, teachers, police, Civil Servants, and the unemployed will be well advised to expect nothing—unless the Government and the Bank of England suddenly change the talk in preparation for a scheme of currency and credit expansion. On the sound basis demanded by the *Observer*, however, the position may be expected to worsen. The general trading policy which England has now adopted will not improve trade; and the kind of Budget now required, totally disproportionate to the exigent total National Income, itself hinders the distribution of commodities by sale on which producers' and sellers' incomes depend. The National Debt services alone, for example, require the whole of the income-tax and more than half of the surtax. In this transfer, which, according to orthodox economists, is merely from one pocket to another within the totality of the community, there is of necessity a considerable diversion of income from market to savings or capital. Since capital issues have nearly dried up—except the relending to Government of various kinds of the repayments—this diversion merely makes it more difficult for existing capital to carry on its productive and distributive functions. Five years of the present kind of finance would leave England like a squeezed lemon.

It has been clear for some time that Great Britain favours the economic union of the Danubian States,

while desiring diplomatically not to offend France. When the Austro-German customs-union was originally proposed, the French quite frankly stated that economic union would precede political. Whatever the French may say on the subject of the present plan, their views will remain unchanged, and they will try to prevent the customs fusion of Germany with the Danubian States. Nevertheless, such a fusion must in the end come about. It is natural from every point of view, political and economic, and it is necessary to the rehabilitation of Germany in which so much of American and British finance has been sunk. Hence the strong English-speaking world propaganda in favour of the German and Danubian economic alliance. One of the corollaries, apparently, of the interdependence of nations is that charity begins abroad.

Mr. Baldwin is very happy about England. "We have already," he says, "restored British prestige for good and all," which, in spite of that countryman's Simple Simon reputation, is more cleverly said than "for ever and for ever." Mr. Baldwin also emulates the *Observer* leader writer as regards the Budget, and, by coincidence shares another title to honour with him. Both ought to appear in the national humorous paper, if there were one, under the heading of things that might have been said differently. The leader writer referred to the "crisis" stretching out to unchartered dangers. Mr. Baldwin, in a tribute to British patience and heroism, remarks that "credit belongs equally to every man and woman in the country." Alas, not consumer credit is intended, only credit "for acting in the way they have acted on the advice that was given to them." Having, however, entirely revived British prestige, the National Government is thus set free to revive the trade of the world, which Mr. Baldwin suggests without prophesying can be done by enlarging the economic unit. The Danubian Alliance for Europe; the Ottawa Conference and Imperial unity for England. Mr. Baldwin ought to know by this time that the fundamental fallacy which hinders the progress and trade of small economic units is not cancelled out by linking or enlarging them. In each country peoples are having to reduce their standards of living while the plant which supports standards of living increases in power. Mr. Baldwin is basing his optimism on a false assumption, briefly, that the trade of the various countries can be revived without the specific and deliberate creation of consumer-demand to provide a market. No matter what restraints of trade are removed or equalised by tariffs, trade can revive only if the present barrier to consumption, namely, insufficient purchasing power in the hands of consumers, is removed entirely.

PAUL BANKS.

THE REWARD OF SAVING.

[Episode at a "reconstruction" meeting to write off £3,501,856 from Cammell Laird's assets. Report in the *Evening Standard* of March 24.]

A little grey-haired woman rose from her seat at the annual meeting of Cammell Laird shareholders in London to-day and asked in a trembling voice if she could speak.

She gave her name as Mrs. Stephens, and told how her husband had lived frugally and tried to save a little for their old age, investing his money in the company. She went on: "I don't know much about these things, but from what I understand I think I can say good-bye to all my investments."

"I would like to know where I stand. My husband is dead, and at my age I don't think I should be expected to resume my occupation. All our lives my husband and I have lived frugally. We never had a holiday, and now I have nothing to look for in the future."

Mrs. Stephens's speech was listened to sympathetically, and when she sat down she was applauded. No comment was made on her speech, the chairman, Mr. W. L. Hichens, announcing, "That ends the business of the meeting."

The Social Credit Library.

Mr. M'Devitt's little booklet* is a welcome addition to the literature of the Social Credit Movement. He leaves technical exposition entirely alone, and devotes himself to describing the Douglas Theorem and persuading his readers to undertake the study of it. He appears to have in mind the idea of abating the hostility of reformers in general to what they seem to regard as the substitution of Social Credit for their own analyses and objectives. In his first section he makes "a comparative study of the economic theories of Karl Marx, Henry George and C. H. Douglas" in which he submits that the common basis underlying them is the conviction that there is a *pool of undistributed wealth*, which is, or can be made, accessible to the community. Marx's "villain" is "Capitalism"; Henry George's is "Landlordism"; and Major Douglas's is *Finance*. All three relate our economic ills to the existence of a *monopoly* of some sort. "Marx," he says, "is clearly Socialistic; Henry George as greatly Individualistic, and Douglas neither, yet both." On one main point of principle the first two differ from Douglas, namely, the importance they attach to *ownership*. Mr. M'Devitt proceeds to point out that "real economic power rests not in the control of ownership, but in the control of use"; and that "ownership, by reason of its inherent responsibilities, is a hindrance, not a help, to the effective control of use."

When reading this section we were reminded of the pea-and-thimble trick and the hunt-the-thimble game. Imagine a large, a medium, and a small thimble: put your pea under the small one, and then cover it with the medium, and then the large one; so that all you see is one thimble. Now you have set the economic puzzle much in the form it had assumed when Marx started to hunt the thimble. Well, Marx found the thimble, and called it by the vague and comprehensive name of "Capitalism." "Capture this thimble," said he, "and lift it up, and there will be the pea." But Henry George now bobbed up and said: "No it won't: you'll only find another thimble—'Landlordism': and the pea is inside that." Lastly Major Douglas comes along and trumps this discovery with a third—there is still another thimble called *Finance*. This illustration is only valid in a broad sense, because, as a matter of fact, by the time Henry George thought he had discovered the Landlord as the monopolist *Finance* was well on the way to effecting a complete transference of the land-monopoly to Capitalism, with the vital reservation that the control of the use of that monopoly rested with *Finance*. In terms of the illustration, Henry George's middle thimble, whatever it had been before he came along, was no longer a separate thimble when he found it. It does not matter whether one imagines it as having been welded or merged into the inmost or into the outermost thimble (from different points of view both happened together) because the ultimate consequence was the disappearance of everything that distinguished Landlordism from Capitalism. Nothing has happened to the pea. Perhaps a better image would be to imagine a snake called "Capitalism" swallowing the workers (Marx) and another snake called "Landlordism" swallowing the Capitalist snake (George) and yet another snake called "Finance" swallowing the lot (Douglas). And, granted the super-snake, it really does not matter which of the lesser snakes is inside the other—Capitalist, Land-

* *The Labourer and His Hire. Short Studies In Financial Policy.* By Philip M'Devitt. (William Hodge and Co., Edinburgh and London. 66 pp., paper. Price, 1s. net.)

lord and Worker are all being digested together in whatever order one likes to place them.

Mr. M'Devitt's analysis of this part of his subject is clear, concise and, not the least important, entertaining. It is temporarily and reasonably carried out, and though it is uncompromising on essential factors, it will succeed—so it appears to us—in evoking sympathetic consideration from followers of other schools of thought. This book will help them to see that Social Credit is come not to destroy but to fulfil that which is essentially desirable in their ideologies. In so far as the ideology of any school of reform reflects the ordinary human aspirations of the vast majority of people who have no ideology (and the two things must not be confused) Social Credit is the implement for its realisation.

The chief appeal of this book to Social Credit students and propagandists lies, we think, in the latter section, where Mr. M'Devitt describes and comments on a thirteenth century credit-system in Mongolia. He came across it when reading an article in the *National Geographic Magazine* of October, 1928, describing Marco Polo's story of his journeyings through the realms of Kublai Kahn. The author of the article quoted extracts from the writings of Marco Polo himself, one of which, Mr. M'Devitt says, "sent me back to re-read Marco Polo's own story." The extract was as follows:

"The currency of the Mongol realm was paper money made from the inner bark of the mulberry tree, a material still employed for Oriental paper. The Venetian merchants were amazed that this 'fiat money' was universally accepted, but found an explanation in the law which fixed the death penalty for refusing it. The bark paper was cut into various sizes, stamped and signed by high officials; but became legal tender only after the Khan's Treasurer had affixed the royal vermilion seal. This currency was turned out in vast quantities. Its issuance was marked by great pomp. The merchants who brought wares from all over the Khan's vast domain were compelled to sell to him alone. He had the articles appraised fairly enough, and their rich treasure went to swell his personal accumulation, merely for the price of printing more money. There even was a provision for the redemption of worn-out money. One might exchange it at the Royal Mint on payment of a three per cent. fee. The Khan shrewdly helped to stabilise his enormous flotations of currency by selling gold or silver or gems or pearls from his own storehouse and accepting the paper money in exchange. . . ."

Readers will see at a glance what a wealth of material is here provided for making comparisons and contrasts between the policy and procedure of Kublai Kahn six hundred years ago in the East and the corresponding activities of the contemporaries of Otto Kahn to-day in the West. And they can take our word that Mr. M'Devitt has a ready wit and knows how to employ it for this purpose. There are pages of elaboration filled with shrewd and illuminating comment interspersed with a good deal of amusing leg-pulling. However he takes his pleasures Mr. M'Devitt doesn't take his propaganda sadly. On several occasions he places quotations from Mr. McKenna's speeches in juxtaposition with items in Kublai Kahn's policy and methods—and always with striking effect. His remarks on the Kahn's "gold standard," and on the Kahn as a "price fixer," and particularly on the matter of rigid upholder of the royal prerogative in the matter of credit-creation and credit-policy, cannot be adequately conveyed by paraphrase: they must be enjoyed as he dishes them up.

Mr. M'Devitt shows great partiality—and we share it with him—for the item in the record which relates to the "pomp" with which the issuance of the currency took place. He comes back to it once or twice. On one occasion he exclaims:

"I love that quaint touch: 'Its issuance was marked by great pomp.' Here indeed was a thing to be done in no backstairs fashion outwith the ken of Khan and

people. This, the Khan's royal money with the royal seal upon it, shall be issued with fanfare of trumpet and tuck of drum in the sight of all men, with the Khan himself and all his court on view for the occasion. And woe betide the misguided person who—his suspicion being not asleep—shall say: "Behold, this is not good money!" (The parenthetical allusion is to Tom Paine's definition of credit as "suspicion asleep.")

Mr. M'Devitt keeps to this gentle banter all through, resisting the temptation to moralise—as others might, and justifiably—on the present-day spectacle of the King's court and forces standing idly by while their Sovereign is being despoiled of all the prerogatives which pertain to his dignity and all the powers which should attach to his responsibility for the safety of the realm.

The author, however, does not allow his humour to unbalance his argument or obscure his conclusions. The concluding chapter of this section he entitles: "Would the Mongol System Work Here and Now?" and answers with "a qualified negative." He indicates very broadly and briefly what elements in this old system overlap Social Credit and what do not.

"In the Mongol system we saw that where the national credit was used under the royal prerogative in the issuance of financial credits on which industry flourished, production was not restricted by a lack of financial credits."

In the same chapter he quotes Mr. McKenna: "Credit has been used to produce the goods, but credit is not used to take the goods off the counter." Later on he refers to the Douglas Analysis and says:

"It is asked that these technicians [i.e. banking experts] shall examine the Douglas formula and, if it is found to be technically unsound, demonstrate its unsoundness to such of the general public as are capable of judging the evidence for or against."

Theatre Notes.

By John Shand.

My strictures the other week on the Old Vic. "Othello" cannot, I feel sure, be the reason why the management have omitted to send a voucher ticket for the present production of "Twelfth Night." It must be an oversight on the part of the secretary or box-office keeper who invited THE NEW AGE representative to review "Othello." Otherwise one would have to suppose that those in charge of the Old Vic. objected to frank criticism and were showing disapproval of disapproval by omitting to invite again any journalist so offensive as to tell their actors off, and tell them why, as I believe I quite clearly did in my notice of their last production. And of course it would be absurd to suppose that any professional theatre—amateurs are naturally "comptible to the least sinister usage"—would object to a reasoned judgment, however mistaken, however severe, of what it puts forward as entertainment, and would try to silence the offender by cutting him off the free list. For that would be tantamount to saying it was hoped to suppress free speech by suppressing free tickets—which would be still more absurd. Tickets can be bought. The critic, like Roderigo, can put money in his purse and go buy seats like an honest citizen. True, he who pays for his seat before he writes is not in such a comfortable position legally as he who gives judgment as the guest of the management. The invited critic is much more safe against an action for libel than the uninvited. This legal point aside, I myself actually prefer to pay, for then I can write or be silent as I feel inclined.

It is worth any playgoer's money to see Miss Edith Evans play Viola, in particular to enjoy her

rendering of the soliloquy which comes after Malvolio has brought her the ring sent by Olivia. This is not the Viola enshrined by the scholars and commentators, no ideal representative of maiden modesty, milky as a heroine in Dickens or Thackeray. Miss Evans wears Cesario's breeches with an air of Restoration gallantry, and one feels that when after the final curtain she returns to her "woman's weeds" there will emerge one who, like Congreve's Millament, will always enter a room "full sail, with her fan spread and her streamers out and a shoal of fools for tenders." Observe the double-edged humour the actress finds in the realisation that the Countess Olivia has fallen for a woman in man's clothing. Impossible for me to describe the look in her eye, the nuance of her voice as she exclaims: "Fortune forbid my outside have not charm'd her!" And when she decides that she is "the man," Olivia loves, there is something in that voice, which was aptly described in one's hearing as "succulent," which gives quite especial point to the line: "Poor lady, she were better love a dream." Who would have thought this short scene had so much of salt humour in it? I need hardly add that those speeches in which Viola has to deliver some of the poet's loveliest lines—"Make me a willow cabin at your gate"—and "She never told her love"—are given by Miss Evans with the most delicate perception of their beauty. Altogether a Viola much too good to be wasted on the love-sick Orsino, who was given a dignity by Mr. Richard Riddle which was quite surprising in so young an actor. If he had not taken his speeches at too slow a pace, he looked like would have been a very good one. He looked like some nobleman painted by an early Italian master.

Mr. Ralph Richardson's Sir Toby Belch is now a ripe piece of acting. Here is a man steeped in liquor. His gait is heavy with it, his voice thick with the re- mainer dregs of uncounted pots of ale. So full of yesterday's liquor in the morning, to-day's cargo can only make him a little more unsteady by night. Not so far gone however that he cannot excuse a hiccup with a "Plague o' these pickled herrings," nor so besotted that he lacks valour to fight when the mock duel between Aguecheek and Cesario is interrupted by the armed Sebastian. And Mr. Richardson has seen to it that the drunkard is not disgusting, that the character is sufficiently removed from reality and is suffused with the good humour which makes "Twelfth Night" one of the most charming plays in the English theatre.

Viewed as a performance apart from the play, Mr. Robert Speaight's Malvolio is a perfectly consistent and interesting character, a most credible and indeed pathetic figure as Maria's trick begins to work on his ambitious soul and he is assured that the Countess wants to wed him; convincingly sick with disappointment even to madness when he finds how he has been duped. But the play is poetic comedy, a lovely mixture of idyllic dallying with the innocence of love, of elegant farce and foolery; of horseplay; of romance and sentiment and filled out with many touches of acute observation yet subtended by a spirit of gaiety into the rarer atmosphere where they are beyond good and evil and where they live, like the figures on Keats' "Grecian Urn," "All breathing human passion far above, That leaves a heart high sorrowful and cloy'd, A burning forehead, and a parching tongue." It is a play which begins with the music of the clown's "When that and closes with the music of the wind and rain." So that it is demonstrably wrong in Mr. Speaight to bring the conceited steward down to earth instead of taking him up into the regions of high fantasy. His Malvolio could be psycho-analysed; Shakespeare's Malvolio must be enjoyed

—otherwise the practical joke played against him becomes painful, and the mood of the play destroyed.

The rest of the company go from middling to rank bad, from Mr. Robert Harris's Clown to Mr. Alastair Sims' Antonio. Mr. Harris is unfortunately cast; I feel sure he would make an excellent Orsino. Mr. Sims is just a bad actor. The production as a whole is a fairly good one, but the play is inclined to drag towards the end, and this is not the fault of the play. The box-hedge scene is not well planned, and Mr. Harcourt Williams has made the queer mistake of dressing Olivia in bright yellow when it is part of the joke against her steward that he is persuaded to come before her in yellow stockings, "a colour she abhors." I suppose we must blame the scene designer for the ugly brick entrance to Olivia's country seat. It looks like Golders Green at its worst.

The first night audience at the St. Martin's Theatre last Thursday greeted the adaptation by Mr. Edward Lewis of Mary Webb's "Precious Bane" with enthusiasm. I can only suppose they were all people who had read the novel and who saw a great deal more in the piece than was to be seen by the uninitiated. It left me completely uninterested from start to finish, and I suppose gave one about as good a notion of the book's quality as most other adaptations of novels for the stage: that is to say, no notion at all. To crown all, the whole piece is written in dialect, and when metropolitan mimes come in at the door speaking in dialect, reality flies off at the wings. I do not wish to suggest, by the way, that "Precious Bane" is a book too fine for the stage—indeed, I have a suspicion, based upon a hasty sampling of it in the library the other day, that it is commonplace fiction done in a high falutin' manner. I am suggesting only that it is a radical mistake to attempt to transfer a novel to the stage. The qualities that go to make a good novel and a good play are as essentially different as the two forms of expression.

The Films.

Reputation.

Constance Bennett is among those film actresses whose box office attraction is said to rest more on her feminine than her male "fans." Here is a woman correspondent's criticism of Miss Bennett's latest film, privately shown last week.

"Reputation" is very good photo-play. Its strength lies in its dialogue rather than its cinematic or dramatic value, but the dialogue is a model of its kind, witty, sparkling, and lively. The theme is satiric, and neatly depicts the type of man not interested in any woman who is unable to boast of a lurid past, including homicide, if possible. Miss Bennett is, as always, finished, but acting honours belong to Ben Lyon. This is an amusing production, which should have, and deserves to be, a distinct box office success.

Monte Carlo Madness: Regal. Or, You Know What Sailors Are.

A number of people seem to have been disappointed with this German picture because of its rather incredible story. Actually, the story is far better than that of the average commercial film, and if there is one certainty about the screen it is that most scenarios are either banal or unreal, if not both. Erich Pommer and Hans Schwartz have here capitalised the existing vogue for musical films, have deliberately strayed into the world of pure fantasy, and have obviously studied the technique of René Clair, especially that of "Le Million." The result is capital entertainment, plus technical virtuosity, fluidity, and much really admirable and at times beautiful photography. Pommer

himself would be the first to disclaim that "Monte Carlo Madness" has any pretensions to being a great picture, but it is a sound and excellent job of work, and is keyed throughout on a lighter and wittier note than one might expect from a German director. As in every recent German sound film I have seen, the recording is excellent.

I had last week something to say regarding the use of music as an integral and not an incidental component of a film. The music of this picture could have been bettered; it is never distinguished, is hackneyed in parts, and the theme song is ordinary enough. But until now we have had only one Auric, just as there is only one Clair, and it is obviously easier to produce a good film calling for an exactly proportioned blending of picture and appropriate music than to obtain the right music.

The star of this film is Sari Maritza. In "The Water Gipsies," her last English picture, Miss Maritza was obviously over-produced, which is another way of saying that she might have been directed with greater intelligence. The Germans have done the job better, and I am not surprised that since making this picture Miss Maritza has been engaged by the talent hunters of Hollywood. I have never seen a better performance of an ingénue—almost as difficult a role to play convincingly as that of Juliet—and she is unusually charming in the bargain. Altogether a delightful impersonation. Hollywood's gain is distinctly the loss of Elstree, which will, no doubt, continue to console itself with chocolate-box prettinesses, actresses past their prime, and actresses who have never had and never will have a prime.

Hans Albers is not altogether well cast as the rebellious naval officer for whom his queen conceives an instantaneous passion; the role calls for a man of a younger appearance, but he breezes well through the part. Helen Haye, John Deverell, Philip Manning, and Thomas Weguelin are also in the cast.

Current Films.

"This Modern Age," in which Pauline Frederick and Joan Crawford play mother and daughter, is at Tussaud's and the Stoll this week. It is of the type of picture known in the United States as "sophisticated." Among current general releases are the admirable "Sunshine Susie," "Congress Dances," "Over the Hill," "Waterloo Bridge," "The Champ," and "New Adventures of Get Rich Quick Wallingford." All have already been reviewed in these columns, and are hereby again commended; the selection, which includes English, German, and American pictures, is so varied that it embraces something for all tastes. "Hell Divers," after running for three weeks at the Empire, will be replaced to-morrow by "Lovers Courageous," of which the story was written by Frederick Lonsdale. DAVID OCKHAM.

Reviews.

Brain and Mind. By Arthur Lynch. (The Pioneer Press. 6d.)

This is not a book at all. It is merely an advertisement of the author's previous work. As I am not acquainted with that work, I have no means of judging its value, for I have been unable to find anything in this booklet but the ordinary platitudes of psychology and cerebral physiology, which Mr. Lynch apparently takes for new truths discovered by himself. Had he been more concerned simply to state his case, and less with philippics against other writers, perhaps I might have understood him better. As it is, his criticisms seem to me to be showy and often ill-informed. Take, for instance, his remarks on the subject of cerebral localisation. He speaks of Broca's discovery of the motor centre for speech in the posterior end of the third left frontal convolution as "the most shining triumph of physiological research" and as "a sacred doctrine in nearly all the medical schools and universities where such matters are taught." But the simple truth is that there has always

"THE NEW AGE" DINNER.

[The following notification has been sent in by the promoters of the dinner.]

The above dinner will be held at Frascati's Restaurant on Saturday, April 9, at 6.30 for 7.0 p.m.

The guests of the evening will be those past and present Editors of "The New Age," Mr. A. R. Orage and Mr. A. Brenton, who, by their labours, have done so much to bring Major Douglas's theories on credit to the notice of the public.

At the present time, when the results of financial orthodoxy are manifest by the resulting world chaos, this event is likely to prove of memorable interest.

The chair will be taken by Mr. R. F. B. Gaudin, B.Sc., A.M.Inst.C.E., and it is hoped that you can support the dinner by your presence.

The price of the tickets is 10s. 6d. each, and your application should be sent at once to

The Secretary,
"New Age" Dinner,
70, High Holborn, W.C.

Evening dress is requested.

been more uncertainty about the true cerebral site for speech than about any of the other recognised localisations, for the obvious reason that experiments on the matter are impossible. All positive evidence is founded on the results of disease, and diseases do not select isolated cortical areas for their ravages. As for the problem of the relation between Brain and Mind, I am still as much in the dark as ever, even after carefully perusing Mr. Lynch's booklet twice.

The Hygiene of Marriage. By Isabel Emslie Hutton, M.D. (Heinemann, 5s. net.)

If any man is content with knowing his wife simply in the sense that Adam knew her, he will find all he requires in this book of Dr. Hutton's. Good, sound, orthodox teaching is supplied concerning the physical facts of marriage in a clear, straightforward manner, and accompanied by diagrams. The note of medical authoritarianism sounds reassuringly throughout the book (medical women, I notice, are usually even better at this than the men), so that the timorous need have no fears. Their physical problems are solved. They may go forward with assurance—to face the real ones.

N. M.

LETTERS TO THE EDITOR.

BY WAY OF A START.

Sir,—The English do not like wholesale revolutions. To wipe the slate clean and begin again is not their way. At the same time, they don't mind trying experiments—in moderation.

Now the Douglas Social Credit Scheme is a revolution, and a big one. While you are getting on with it I have evolved another scheme more modest, more partial, less logical, and therefore more English.

Will you, sir, who know all about finance, tell me where the snag is?

In all our rural districts there is a great shortage of cottages. The reason is that they cannot be built to let at an economic rent. As a result, incest, idiocy, and disease are encouraged, and our villages swarm with unmarried mothers. The fact that the mothers are unmarried would not matter much perhaps if the girls were happy about it. But they are not. They would much prefer to be wives living in homes of their own. Well, then.

Let the Government, ignoring the banks, issue £100,000,000 of new money (Treasury notes) and lend it at 2 per cent. to the Parish Councils for the purpose of building cottages as required.

On a rough estimate, I calculate that the cottages could be let at 3s. 6d. per week, which would pay the interest, provide for repairs, and also a small contribution to a sinking fund for the ultimate repayment of the loan.

Apart from the bankers' annoyance at such unfair competition in the money-lending game, what is the objection? H. J. A.

MR. HARTLEY WITHERS.

Dear Sir,—As you are no doubt aware, some years ago Mr. Hartley Withers wrote a book entitled "Bankers and Credit." This book was not so much an apology for the gold standard as a wholesale condemnation of any other system of currency and credit control. In it he brings the whole weight of his moral indignation (with which our distinguished economists are so well armed) to bear against those who would reduce the value of everybody's money holding by artificially increasing prices through monetary policy. Inflation was clearly anathema to him; it stank in his sensitive nostrils. He quoted, with obvious approval, another "distinguished economist," who advocated the public burning of "Governmental shin-plasters" until prices had been forced down to the 1913 level.

In *The Observer* of Sunday, March 20, there is an article by Mr. Withers which amounts to hearty congratulations to America for adopting a policy of systematic controlled inflation, with the avowed object of reversing the tendency Mr. Withers formerly welcomed—a tendency whereby in his present words "the world has been reduced to the edge of bankruptcy by a fall in prices, which has made it impossible for debtors to pay their way."

This peculiar behaviour on the part of one of our "distinguished economists" will occasion the readers of *The New Age* no surprise. Neither will the impudent but covert sneers at the ordinary citizen of America, who, bemused by the effects of monetary mismanagement by "distinguished economists," has been led to the futility of hoarding.

It is perhaps cogent to ask in what other sphere of intellectual activity a man would be permitted to execute so complete a *volte face* and escape being laughed into permanent retirement. G. WHITTAKER.

QUESTION TIME.

Sir,—I venture to suggest that a Question and Answer column be opened in your paper so that inquirers who have not at hand the means of obtaining satisfactory information might obtain it through your paper.

I fully realise that the point to continually hammer home to those who overwhelm the "S. C." student with questions, is that of first principles, and that details must be left to be worked out later, in many cases even by a method of trial and error. Still there are many serious questions which the student would like to refer to an authoritative quarter.

I have recently received the two following questions, which are fair samples of the inquiries to which I allude:—

Question 1.—If "S. C." became a fact for England, what effect would the action of investing money abroad have upon the balance between Production and Consumption?

Question 2.—Would imports be sold at the Just Price? If so, would it not cause a large influx of foreign goods which might prove harmful to our own industries?

WALTER M. DIMBLEBY.

[Mr. Dimbleby's suggestion is not so simple to carry out as it looks. If questions are answered briefly and directly the enquirer will want to say: "Why?" to the answers. If they are answered at length, the answers become articles, and the "Question and Answer column" is thus expanded and converted into the same sort of matter as is now to be seen in *THE NEW AGE*.

For example: the short answer to Question 1 is: *None*. The inquirer's reaction to this is: "Why?" The answer to the "Why?" might have to extend to a page in order to anticipate and cover all the supplementary "Whys" that could be interjected. The short answers to Question 2 would be: (1) *Yes*; (2) *No*. A brief expansion of answer 2 would be: point out that when home and foreign products are discounted by the same rate the foreigner receives no competitive advantage—in fact, the reverse, because if undiscounted prices of, say, British 2s. and Foreign 1s. 6d., are both reduced by, say, one-third, namely to British 1s. 4d. and Foreign 1s., the saving to the home consumer by buying Foreign is reduced from 6d. to 4d. Hence the price of Foreign is reduced from 6d. to 4d. until you reach the price discount the less the "influx" until you reach the price, when the consumer would not "buy foreign" at all, except goods which they could not get at home, or which they preferred to the home-made goods for other reasons than price.

Another point to notice about Question 2 is, that it is based on the assumption that imports will tend to produce harmful effects on "our industries." So the proper answer to it would be to examine the assumption, and not the question. Very well; such examination has been made and repeated in a number of pamphlets available at any price from 1d. to 6d.—so there is no object in reviving it in *THE NEW AGE* at 7d. every time the question crops up. In the framework of Social Credit principles the phrase "harmful

to industries" is virtually meaningless. An earthquake might harm them, but very little else. We are not interested in "work" and "industry"; we are interested in what people get out of them—and if they get what they want it doesn't matter to us who does the work or where the industry is.

It will be seen that some selective principle must be applied to the kind of questions discussed in *THE NEW AGE*. In our view the proper principle is to admit only those questions—or at least to give priority of attention to those questions—which may reasonably be expected to "stump" the majority of Social-Credit propagandists. The two questions here raised do not, in our judgment, qualify for discussion under that test—or, at least, they come a long way down the list. From internal evidence they proceed from inquirers who (a) have not begun to study the first principles of the subject, or (b) are unable to, or too lazy to, think out their implications for themselves. It would not be fair to the general body of systematic students and teachers of Social-Credit who read these pages if we neglected matters of interest to them—as we should have to—in order to elucidate matters of smaller relative importance. Given unlimited time, assistance, space and cash, we should like, more than anything, to give everybody a good show; but as it is we must, to our great regret, drastically prune the multitudinous curiosities which the subject is now happily evoking from the general public.

So far as we can—as many of our correspondents know—we do take up a good many queries in the stride of our articles and notes: the only thing is that we cannot always stop to deal specifically with any one of them just at the time it is raised.—ED.]

THE BRITISH LEGION.

Sir,—I am afraid my letter (p. 251) may not have been quite clear, and I would like to assure "Tommy Atkins" that there is no waste of time or money in tackling members of the Legion, they are far more ready to listen to reason than business men who have not faced reality. Of course, it is no use influencing Headquarters, but every opportunity will be taken by us to bring Social Credit to the notice of other branches. Then the branches will deal with Headquarters. An official has told me that they are "up against the man in the ranks." It is for each of us who can to get hold of the "man in the ranks," and one of the best ways is to join a branch and take a bit of interest in its functions. A branch of Toc H has become sufficiently interested to ask Major Galloway for a series of lectures as a result of our activities with the Legion, and when the time comes we intend to start a section of the Legion of Unemployed. T. H. STORY.

"GOLD IN HISTORY AND IN MODERN TIMES."

Sir,—In *THE NEW AGE* of March 31 you suggest that an article appearing in the *Australian Quarterly* had been "dashed off under emotional stress." It would appear that the reviewer of Dr. Stein's brochure on "Gold" suffered under the same disability, otherwise it would never have occurred to him to interpret the subject matter as "the wish of Finance gathering the thought of Philosophy." To those who are aware of the real nature of Rudolph Steiner's teaching, upon which this brochure was largely based, the suggestion is merely absurd; to others it is misleading.

Furthermore, "Autarchy" may be a euphemism for many things, but to anyone conscious of the present trend of political pressure in Europe and America, "Freedom" is certainly not one of them; neither is its antithesis "World Economy" synonymous with "Slavery," as he suggests. There are many who see in such development greater hope for the free expression of national and individual idiosyncrasies than present conditions afford.

But the crown of terror was surely reached when it was suggested that this brochure was a masked advocate of "Autarchy" or government by the "gold-sun-god." Both these expressions were coined by the reviewer and probably merely represent his little joke, but they hardly fit into a description of a pamphlet which, after showing the evolution of gold from its ancient holy office of providing utensils for sacred rites, through its experience as an expression of royal splendour, down to its secular use, as money, endeavours to indicate that the economic necessities of the present age are rapidly divesting gold of its money function, leaving it more and more as a mere commodity. Consequently we must now begin with consciousness to produce those economic adjustments which gold effected formerly in a more or less automatic manner, and this implies that any financial system we may erect in the immediate future, if it is to be effective, must reflect real economic facts, must

be in fact a reflection of "real credit," i.e., "produce power and consumer need." GEO. S. FRANCIS.

86, King Henry's Road, N.W.3.

The reviewer replies: "As translator of this brochure Mr. Francis may be trusted to know more of the intention of the author than myself. But the duty of a reviewer is to dispraise a book on its own de-merits. The statement that this book is based on Steiner is no argument. Dr. Stein must stand by his own expression: and in the case of a review of a book of this character in *THE NEW AGE* he must expect the views he appears to hold to come under a Social Credit criterion of judgment. I quoted the material from which I drew my main inference as to his point of view, and see no reason to alter it. However, readers now have the benefit of Mr. Francis's review in addition to mine; and no doubt they will form their own judgment." "A. B."

"(My initials were omitted last week.)"

ANSWERS TO CORRESPONDENTS.

THE NEW AGE DINNER.

"Exiled."—The notification about "evening dress" is intended as an advice to prospective diners that dress will be the rule. If your attendance in other attire does not embarrass you it will not affect anybody else. We are not responsible for the arrangements, but you can take our assurance that the notification had that significance in the minds of the promoters.

W. A. E.—It is the intention of Major Douglas to attend the dinner, but not to speak, if at all, in the sense of delivering any considered pronouncement as on previous occasions.

GLASGOW DOUGLAS CREDIT ASSOCIATION.

PUBLIC MEETING in the Large Hall, Christian Institute, Bothwell Street, Glasgow, Tuesday, April 12, at 7.45 p.m. Principal speaker, the Most Hon. the Marquis of Tavistock. Subject, "Over-Taxation and Poverty: The Way Out." Questions welcomed. Tickets of admission, priced 2s. 6d. and 1s. reserved, and 6d. unreserved, can be had from W. J. B. Jones, Secretary, D.C.A., 47, St. Peter's Street, Glasgow, C.4; Grant's Educational Co., Ltd., Union Street, Glasgow; and from members of S.C. Groups.

NOTICE OF MEETING.

Westerton Douglas Social Credit Group.

The next public meeting will be held in the Hall at Westerton on Wednesday, April 13, at 7.45, when the Marquis of Tavistock will speak on "Poverty and Overtaxation: The Obvious Remedy."

NOTICE TO CANADIAN READERS.

Canadians interested in Social Credit are invited to communicate with the undersigned with a view to the formation of some organisation for mutual support in advancing Social Credit principles in Canada. All communications strictly confidential.

CHARLES WILSON, Box 482, Station F, Toronto.

MAJOR DOUGLAS'S SCHEME FOR SCOTLAND.

The London office of *The Glasgow Herald* reports that the issue of the *Glasgow Evening Times* for March 11 is "now entirely out of print."

It is not clear whether this means that the whole issue has been sold out, i.e., that no returns are coming back from the newsagents.

Readers in Glasgow might ascertain if this is so, and in that event enquire whether the *Glasgow Herald* propose to reprint Major Douglas's article separately as a leaflet.

There was an amusing letter in a recent issue of the *Glasgow Evening Times* commenting on Major Douglas's scheme. The writer calculated the £300 a year per family as being equivalent to £100 per adult, a sum which he regarded with the "Wot's this?!" hostility of a cabman towards the exact fare! He was impliedly moving the reference back of the Dividend Clause for upward revision. There's evidently no psychological resistance to the means of leisure in Aberdonia. Isn't it a beautiful thought, by the way, that you can use the means of leisure to buy yourself the means of work.

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(Almost on the corner of Holborn and Chancery Lane).

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.

The Subscription Rates for "The New Age," to any address in Great Britain or abroad, are 30s. for 12 months; 15s. for 6 months; 7s. 6d. for 3 months.

CREDIT RESEARCH LIBRARY.

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Published by the Proprietor (ARTHUR BRENTON), 70, High Holborn, London, W.C.1 (Telephone: Chancery 8470), and printed for him by THE ARGUS PRESS LIMITED, Temple-avenue and Tudor-street, London, E.C.4.