

THE NEW AGE

INCORPORATING "CREDIT POWER."

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NOTES OF THE WEEK.

The following extract from a speech recently made by the Right Honourable R. H. Brand before some League-of-Nations meeting is an exhibit deserving a glass case all to itself in the Social-Credit museum. Will the correspondent who has sent it to us repair his omission to authenticate the speech (auspices, place and date) in time for publication next week.

"I have been for many years engaged in the profession of International Banking, and perhaps it is in this profession that one sees, or ought to see, the vast harm done by these extreme nationalistic feelings. For the International Banking community have inevitably gone further than any other in international co-operation and in eliminating national animosities. The International Banking community, though it is spread over all the great financial centres, is a comparatively small one, and to the members of it the world seems very close together. Very often they know one another personally; they are in constant communication; they are concerned with the employment of credit and capital throughout the world without regard to national boundaries in the most effective manner for the production of wealth for humanity at large. Every year their world, so to speak, shrinks in size. . . . Capital knows no national boundaries. It flows where it appears that it can be put to the most profitable use; in other words, where it can best assist the world's economic development.

"International Bankers, therefore, must look at the world internationally. They are natural Free Traders; they want peace; they want stability of currency and prices, and, above all, they want no national friction to come and tear to pieces the delicate fabric of international credit. They are, perhaps, together with artists and scientists, the one really international society in the world. It is this which makes them suspect to the nationalists of all countries, but which also, with all their faults of omission and commission, makes them the forerunners of a more internationally-minded society to come. Living in this international world, it naturally becomes clear to one how extraordinarily hampering to the development of world prosperity are wars, reparations, tariffs, and all other obstacles placed by national hostilities to the free intercourse between nation and nation."

(This guy's sure spilt a hell of a mouthful; yes, sir, and then some.)

During the week-end before last one of our readers was in the country, and overheard in the local pub a rural student of sociology express the opinion that what was wrong with the world was that there were "too many b— bible-punchers." Subject to a slight textual emendation, this wasn't at all a bad shot. With the exception of the Rt. Hon. R. H. Brand, who, for his innocence shall be plucked from the burning, preachers of morals are an economic pestilence; and it would seem as if the advocates of a sane economic system may find themselves obliged to lay more emphasis than they have done on the moral obliquity of bankster morals as distinct from the technical defects in bankers' technique.

Of all the countries on earth the one which comes nearest to being a working-model of Brand's cosmic Utopia is the United States of America. These are some of its outstanding features:

- (a) Area the size of a Continent.
- (b) Free Trade between all the States.
- (c) A common language.
- (d) A common currency.
- (e) A central banking-system.
- (f) Uninterrupted transport.
- (g) Collective physical resources, and means of using them, far in excess of the population's physical requirements in terms of food, clothes, shelter and comforts.

Yet this same country comes nearest of all to being a working-model of Hell-on-Earth. Ironically enough, it fails most abjectly of all to pass even the bankers' own tests. It features:

- (a) The largest number of unemployed;
- (b) The lowest depths of destitution;
- (c) The largest Budget deficit;
- (d) The largest number of crimes of violence.

Yet, take the citizens of that country soul by soul, and no one can assign to them individually an undue share of "original sin": so that Brand cannot plead the antecedent probability of better behaviour in a "United States of the World." The International Bankers who picture themselves running a cosmic

economic system would have to use the same human material for their purpose as the Federal Reserve Board has to use to-day in running the American system. The condition of the United States must be ascribed to the policy and administration of her effective rulers, and we are entitled to press the point that in spite of the predisposing conditions of peace and prosperity prescribed by the International Bankers, the United States is in a condition of poverty and strife.

Brand's picture is not even plausible. Here is a country which, as any ordinarily intelligent person knows, could provide itself with everything necessary for its population supposing every other country in the world to disappear beneath the ocean. Yet the section of International Bankers who are immediately responsible for running American affairs agree in saying that the major, if not the sole, cause of the trouble in that country is that America cannot sell sufficient goods abroad. Assuming that the International Bankers as a whole concur in that diagnosis, as they do, they commit themselves to the proposition that if America was the only country in the world, i.e., if America *became* the world, they would be unable to save her from complete ruin, resulting from her ceasing to export anything. Dwell on this. It means no less than that, if put in charge of any given closed area containing, say, 100 people, and containing also physical resources, machinery, and labour sufficient to provide a comfortable living for, say, 500 people, these bankers confess themselves unable to think of a way to provide for more than, say, fifty people. Very well. Put them in charge of a world of 1,300 millions, which is manifestly a closed area, and the result must necessarily be the same. "I can't feed *you alone*," says the banker to the home consumer; "but if you'll bring your foreign pal I can feed you both: and the more pals you bring the better I can feed the lot of you." In the world envisaged by the Rt. Hon. R. H. Bland everybody must necessarily be a home consumer (the world will be "home") so there can be no "foreign pals" for you to bring, and therefore nothing for you to consume.

This grotesque situation arises from the fact that the inhabitants of the world are all working to put each other out of work. The banker does not reward the worker for the work as such, but for certain consequences which he wishes the work to produce. Thus, one or two men, or countries, working under the present system, and making, say, loaves, the reward is not paid to them for working, but for working "cheaply." In physical fact this "cheapness" represents the weight of the slice off the loaf that men, or nations, will accept as "wages." The application of this is seen in the region of international trade where you have what is called, in bankers' language, a "world-price." In terms of bread, if you call it the *world-slice* you are correctly describing it. Australia, they tell her, must keep the cost of production down in order not to exceed the world price of products similar to her own. That is to say she must not cut off for her own consumption a larger slice from her loaf than other countries cut off from theirs. If, for example, she cuts four ounces off a sixteen-ounce loaf while other countries cut off three ounces, the difference of one ounce "puts her out of competition" by "depressing her exports" and "weakening her exchange."

Can this be rationalised by reference to natural law? For an economic system involves the handling of physical things and forces to produce physical results; and the direction of an economic system involves the handling of people to encourage them to

produce the physical results they require in the most efficient way. That is the true concept of the system; and it is one which all reasonable men and women would readily accept if it were their business to think about it (which should not be necessary) and if their worrying pre-occupations allowed them time to do so (which they do not).

Let us investigate the "world-price" doctrine. We will take two countries:

Australia producing 16 ozs.,	consuming 6,	leaving 10 ozs.
Canada " 16 ozs. "	" 4 "	" 12 ozs.

Assume that these are the only countries producing loaves. Then the world-slice is the average of the two consumptions, namely 5 ozs. Let us begin by arbitrarily valuing the production at 1d. per oz. We can express Australia's total production as 16d., in which case the consumption of 6 ozs. is represented by 6d., and the surplus 10 ozs. by 10d. And so with Canada, her surplus being 12 ozs. represented by 12d. On this calculation the price in each country is 1d. per ounce, and therefore that is the "world-price." Both countries are equally cheap to buy from by the world outside—the only difference between the two being that Canada has two-pennyworth more to sell than Australia, and can buy that much more by exporting it.

Next, assuming the money costs of production have been distributed as incomes to Australians, their expenditure on consumption would (*ex hypothesi*) have exhausted 6d. out of their 16d., and leaving them with 10d. as well as the 10 ozs. of bread for export. Canadians too would hold 12d. as well as the 12 ozs. of bread.

Next, on the same assumption, we can introduce another variation and suppose that the incomes distributed in Australia are double those in Canada. The two rates of consumption remaining unaltered Australia would now have 10 ozs. of bread costing 2d. per oz. as against Canada's 12 ozs. costing 1d. per oz. In that event the world outside would buy Canadian bread, and if it could live on 12 ozs., Australia's 10 ozs. would be left on her hands. "There you are," says the banker—but you're not; you are just starting. For there would now be 20d. in Australia instead of 10d. representing the unsold bread.

Now we come to the main point, namely that the bankers' warnings to countries to produce at, or under—and not above—the world-level of cost, on pain of being unable to export goods otherwise, derive their substance from the fact that collective national production-costs are always higher than the collective income available to meet them inside the country. These nations have got to export to get money to get solvent, and therefore they've got to produce at a cost which will tempt outsiders to import their goods and give them the money. To illustrate, suppose Australia has 10 ozs. for sale costing 20d. and there is no money, or not enough, in the country to offset this cost, then Canada's successful capture of the outside market would bankrupt Australia.

Otherwise, given an internal equality between costs incurred and incomes available to meet them, the financial solvency of the nation is not affected by its export trade; and all that it has to consider is: Can it export enough money's-worth to pay for the money's worth it requires from outside. Foreign things and services are what it wants to get, not foreign money. Reverting to the last illustration, in which Australia is shown as having 10 ozs. of bread costing 2d. per oz., and 20d. as well, she could (assuming her Government had the will to facilitate the policy) sell abroad at any price above zero. Supposing she sold at 3d. as against Canada's limit of 1d.

then she would capture the market and get a foreign credit of 7½d. for which she could import in exchange goods to that value. This is assuming that Canada did not follow suit, which of course she could: but if she did, it would be for the same end of acquiring goods from abroad: but if the two were being driven to compete for imports they could solve that problem by combining to raise prices of bread to the outside world which was (*ex hypothesi*) dependent on them for supplies. An economic hold-up!

It is true that Australia would have exchanged 20d. worth (reckoned on her own scale of costs) for 7½d. worth (reckoned on the outside world's scale), but the point is that she would have the 20d. ready to buy the import; and since a double volume of income was circulating inside her territory she could bear the high charge with no more difficulty than Canada with the single volume of income could bear the low charge.

This hypothetical investigation is only to be taken as affording a general indication of the working of a sound system of international trade. Finance is held out as an instrument for perfecting barter. Those who have got hold of the instrument are impeding barter; and, with all respect to the Rt. Hon. R. H. Bland, we must say of his "international banking community" that the more they are together the hungrier we'll be. Can anyone imagine our bartering ancestors, alive to-day, and presented with our marvellous production and transport mechanisms, leaving rotting glut-heaps and starving multitudes strewn together all over the globe?

Now, the only possible way in which these bankers' directions can be rationally related to natural law is by the adoption of the hypothesis that an economic system involves the handling of physical things for the purpose of producing non-physical results—moral results—spiritual results. Then instantly, the whole business becomes intelligible, for its basis is the Mortification of the Flesh for the Salvation of the Soul. As Ruskin would say: Planting bulbs is Salvation; picking tulips is Damnation. On this principle it is only too clear that if a man can derive strength from the sight of one tulip to plant bulbs all day, then the proper direction of the system is that of taking measures so that for all the bulbs he plants he shall see no more than one tulip. Such direction the bankers are exercising with marvellous energy and ingenuity. The nursery is constantly being "rationalised" and "reconstructed"; that is to say, you plant all the bulbs you can; pick the first tulip that blossoms; and then—quick for your soul's sake—dig up all the rest and hurry with them to the drying-shed for next season. This is the mystery of the Trade Cycle!

We are living under something worse than the "Work State"—under the "Wasted-Work State" where the work which affords the lowest return to the individual in work-products secures him the highest return in monetary reward.

A little while ago, A. A. B., who often speaks wisdom by accident in his gossip in the *Evening Standard*, made a remark something to this effect on the economic conundrum: "I know nothing about currency and exchange; but then, I am quite sure nobody else does either." He was perfectly correct in his conclusion that his own guess would be as good as anybody else's. But the necessity for guessing and cross-guessing is eliminated directly you realise its origin, namely the fact that the bankers who are directing the system and your co-operation within it are trying to do the exact opposite of what you as-

sume they are trying to do, and the exact opposite of what you want to get done and labour to get done. The "prosperity" which they promise you, you interpret as terrestrial happiness; but they interpret it as celestial happiness. Their object in getting you to work is to sweat sin out of your soul, not to put food in your body. Now, perhaps, you will see what they mean when they talk of personal or national "extravagance"—"living beyond means" (i.e., exceeding the dietary they have decided to limit you to). You will, we hope, have another look at the gluts of useful commodities all over the world, and see them now as heaps of drying tulip-bulbs.

"Oh," the bankers would say; "but if these gluts 'came on the market' they would cause an awful 'slump in prices'; and you are already in a mess because of the past slump in 'world-prices.'" The answer is that *Price*, as controlled by bankers, is intended to prevent personal consumption, not to assist it. Whatever the immediate causes of price-ramps the fundamental cause is the bankers' control of the pricing system, and their use of it for the purpose of limiting profane men to a sacred dietary.

It is not in the least necessary for you to understand the how and the why of their methods (accountancy anomalies, etc., disclosed by the A + B Theorem and elusive matters of that sort) in order to realise from looking at the things you see around you, how exactly they fit in with the hypothesis that we have put forward as to the present policy of direction under the bankers; and, on the other hand, the impossibility of reconciling them with the sane policy of direction which we have defined, and which is embodied in the Douglas Social Credit Proposals. If so, all you need to do in order to take your oath of allegiance to Social Credit is to satisfy yourselves on one point only: namely, are these evils that confront us caused by the conflicting theories and incompatible interests of individuals and classes—do they reflect a deadlock of honest "lay" confusion about what to do: or is there a deliberate will and power at work which at one and the same time produces not only the evils referred to but also the intellectual and commercial irreconcilabilities which are seen in association with them? Does evil "D" happen because the wills and judgments of "B" and "C" are in conflict: or does something called "A" antecedently and inevitably cause the immediate apparent cause and effect, B, C, and D? In terms of the old proverb, are there too many cooks; or has someone poisoned the broth? The elucidation of this question is within the competence of any average intelligence; for it necessitates only an investigation of the *politics* of high-finance; not the *technique*. Having satisfied himself that everything that is happening is compatible with an intelligible, coherent, pre-determined policy and objective, it remains for him to decide whether the bankers (a) actually will that objective, and if so (b) whether they have the power to pursue it over the heads of all other wills and intelligences. Proofs of the affirmative under "a)" are to be seen between the lines of nearly all banking propaganda (and Press exhortations derived from it)—not to speak of the Rt. Hon. R. H. Bland's present frank pronouncement. As for "b)" the answer is to be found in the facts concerning the functions performed by the bankers within the structure of political government, together with the facts concerning, and the import of, their self-admitted power to "destroy the fabric of Government finance."

The spectacle of hungry democracies here and in the Dominions voting for less with too much all

round them in the expectation of more when there is not enough all round them, ought to stir every serious observer to study Social Credit systematically. Only the magic of "authority" could insinuate this manifestly absurd reason into the currency of popular calculations; and the prime duty of every would-be reformer to-day is to fit himself as best he can to discredit the magicians by exposing their various methods of procuring Bumble mandates from Oliver-Twist electorates. ("Please will you pour some of my gruel back in the copper, sir"! None who understand this ramp will stand for it; and no man can do a more patriotic deed to-day than to acquire that understanding now, and thenceforth spend of his best to impart it.

Little Lessons from Lenin.

"One foolish man can ask more questions in a minute than ten wise men can answer in a day!"—Lenin's reply by which he silenced a pestering questioner.

F. J. P. Veale has written a straightforward Life of Lenin under the title, "The Man from the Volga" (Constable).

The Russian revolutionary leader and the issues involved are treated calmly; there are no literary flourishes or "purple patches." Thank goodness!

Not to try to understand Lenin, his outlook, his methods, his influence, and the work that he accomplished is, to-day, to be uncultured. He can no more be ignored by the thinking mind than can Jenghis Khan or any of the other great realist leaders. Lenin is an historical fact.

Those who stand opposed to Bolshevism, who hate and abominate Lenin's policy and methods, should have common sense enough to learn from him, their dead but still potent "enemy," as he learned so carefully from them, his enemies, while he lived.

"Know thine enemy" is not a bad motto.

It may be applied, also, by those harder-headed types who waste no energy in building a mare's nest of frantic emotional opposition around the political reality of Soviet Russia. Many such realise that Lenin's Marxian economics fail theoretically, and must therefore fail in practice, unless adjusted. Such serious students (amongst them, maybe, men of action biding their time in this, that, or the other country) will find much that can help them in their fight for a sane economic system in this well-set-out and clearly-written Life of Lenin. A sculptor may take a tip from a blacksmith without working at the forge.

It is worth while listening to any man who knows his job and has proved himself a master-craftsman. Lenin was a master-craftsman in the "art of revolution." He knew how to weld and temper (by trial and error) a revolutionary organisation that not only tipped Czardom out of the saddle, but has sat firmly in that saddle ever since. For twenty years Lenin worked, and watched, and waited his opportunity. When it came he knew it from false opportunities—and at one blow he knocked out the Czarist Giant with his mere pebble of a Bolshevik Party. Numerically, as Trotsky tells us, it was "only a miserable little company."

If you cannot learn from a man of that calibre, you can learn from no one. To be able to learn from someone else is in itself a great art. Most people can "copy," but copying is of no use. How few can learn!—how few can learn from someone whose main thesis is perhaps unacceptable, and whose methods may not be practicable or necessary.

Fortunately, Mr. Veale, besides many astute interpretations and comments of his own that light up Lenin's character from unusual and often sharply revealing angles, has included a number of Lenin's shrewd sayings, so that, now and then, the Man from

the Volga speaks out himself and lives again for a second or two by the tone of his own voice.

That his words should, when done into English, tally so faithfully with the look of the man, is astonishing. It is because Lenin used mainly words of action, of doing; except, of course, in his theoretical expositions. That, again, is quite unusual. Most people are one-tune musical-boxes. The tune never varies; the same for Bow Road as for Whitehall. Lenin was never like that. He played the same tune, with suitable variations.

Perhaps that, in itself, is a tip for those who are convinced that the present financial system must be adjusted?

In the Anglo-Saxon tongue we hear of the "deed-like word." Lenin used the deedlike word instinctively, and always at the right moment.

There are several passages from Mr. Veale's book that one feels impelled to quote in the hope that they will have the effect of sending people to the book itself, the most sober and connected life of Lenin so far published in English.

"Just as an early Christian hated a heretic far more than the most violent of the heathen, so Lenin's feelings were comparatively friendly towards the most autocratic, haughty, gold-laced Minister of the Czar compared to his feelings towards any Marxian who differed with his interpretation of Marx's teaching. . . ."

"Like the Anabaptists of the sixteenth century, the Marxists were divided into two main groups, the activists and the passivists."

"During his residence in London, Lenin wrote his famous book, *Where to Begin (Chto delat?)*. In this work he indicates why former attempts at revolutionary activity had been so easily stamped out by the police. 'This prompt stamping out,' he wrote, 'arises from the fact that these campaigns were not the result of a systematic, carefully thought out, and secretly prepared plan for a long and desperate struggle.' His advocacy of the formation of a strictly disciplined organisation aroused much opposition from many quarters. Leon Trotsky . . . accused Lenin of aiming at the foundation of an autocracy. 'What is there wrong with that?' Lenin replied, with contemptuous frankness, 'As things are, there is no other possible way out.'"

The above quotations show the author's clear-cut style. We have had too many "lurid" books about Lenin, and Stalin, and the others.

Martov, at one time Lenin's principal rival amongst the younger men, was, in Lenin's own words, "too soft."

"He used particularly to irritate Lenin by his habit of turning a discussion on political theories or the future tactics of the party into a chat about the experiences and adventures of a revolutionist's life."

For Lenin, "gossip of this kind was nothing more than a frivolous waste of time." If that isn't a tip, what is? Here's another (I do hope Mr. Veale won't mind the way in which I have pillaged his book. He shouldn't have written a book worth pillaging—I'll chance it!):—

"Martov wished to include (in the party) everyone who contributed to the party funds, and who was more or less in agreement with its aims and activities. Lenin, on the other hand, regarded the party as a fighting organisation, membership of which should be limited to those who were willing to give loyal and obedient co-operation in the struggle. Lenin, in short, only welcomed active supporters ready to submit to discipline."

It appears that Lenin "had carefully trained himself to express the simplest ideas in words familiar to workmen and peasants. His method to impress was by repetition."

"One of Lenin's most valuable gifts," we read, "was his power to distinguish between deep and inarticulate popular feelings and those that were superficial, but loudly expressed."

Now let Lenin speak:—

"There are no miracles in nature or history, but only turns of the wheel of history."

And so, what may seem to be a miracle is due to "the unexpected and peculiar combination of forms of conflict

and divisions of strength" as displayed by every revolution.—(From Lenin's *Letter from Afar*.) Lenin's favourite maxim was: "He laughs best who laughs last."

When Lenin was in power, the peasants feared that the Bolshevik Government intended to take from them their newly acquired lands. They became hostile.

"At a Peasant Congress Lenin was howled down by the delegates. 'What is it you want?' shouted Lenin, his voice rising for a moment above the uproar. 'You have your farms—keep them!' His Bolshevik supporters murmured. Why did he not order the arrest of the delegates?"

Instead of which, he ordered his own supporters to sit still and not to "dare to speak," while he quietly explained to the peasantry what the situation was, and what he was trying to do.

Then came the critical Brest Litovsk negotiations for peace with Germany. Lenin could see that war-weariness was the dominant force in Russia. He said:—

"Trotsky talks about a guerilla warfare to be carried on by the peasants (against the invading Germans). But the peasants will not fight. They have voted against the War."

"How?" someone asked. "No vote has been taken on the matter."

"With their legs," replied Lenin, "by running away from the front!"

In accordance with Communistic idealism, when the Bolshevik regime was established in Russia the death penalty was done away with. Lenin was furious.

"Do you imagine you can accomplish a revolution without shooting?" he asked. "This is madness! Do you think you can settle with your enemies if you disarm? What repressive measures have you, then? Imprisonment? Who pays any attention to that in time of war, when every party hopes for victory?"

A realist, anyhow. That is something in a world sodden with false idealism. And the author of "The Man from the Volga" is not afraid of his subject. He deals with it realistically, without bunk, and keeps himself to himself. S. R.

The Junketings of Eisler.

By W. T. S.

Dr. Eisler comes from the economic desert of Vienna, where the heavy financial hand of the League of Nations was first extended to reimpose "sound finance" upon a people using their own credit to distribute bread to the hungry. It was the most hopeful prospect of economic recovery which had arisen since the War, but it wasn't RIGHT.

We do not know whether Dr. Eisler's services as financial reformer were tendered in that city. Perhaps they were, and were accepted. Hence his departure; and maybe his reception in Geneva broke the fall of a rude propulsion by his compatriots. A prophet hath no honour in his own country. However that may be, classics, theology, and a reading of Assyrian hieroglyphics are obviously a first-class training for one who would reform the financial system. Secure against the intrusion of any modern idea, knowing the will of God as to the proper place of all but superior people, Dr. Eisler descends "like a wolf on the fold"—as the poet put it, speaking of the Assyrian who wrote the hieroglyphics Dr. Eisler deciphered. Dr. Eisler's "cohorts" may not be gleaming with purple and gold, but they are doing very nicely thank you.

Can it be that the stains of Viennese unpleasantness have been removed by immersion in the odour of red-herring in his subsequent atmosphere suggests the former, and maybe he dried his garments in Rome, and so became corporative, and learned how to keep the "fold" for ever at sub-

sistence level and free from all temptation to enquire what's what.

However these things be, Dr. Eisler has abandoned Vienna to its fate, and comes at last as financial prophet to London, where he feels so much at home that he issues a book* in which he speaks of "us" and "our" with the dearest concern for our welfare, for all the world as though he had been born within sound of Bow Bells. This is nice of him.

But don't you think he will play up to your insularity, my boy. Not a bit of it. If you want credit, you go and tell the Bank of International Settlements about it, and if they think it O.K. they'll create some for you—and book it up as debt. And who are "they"? The soundest financial experts who ever put the world in pawn. There!

How will he work his beneficent plan? There you have me—and him. Anyhow, he'll catch a range of commodities and clap a price on them (retrospectively, taking 1928 as zenith), and your quidlet will ever afterwards buy the same quantity that it would have done in 1928. Put the quidlet in a bank, and when you want it again there will be a chart in front of the cashier. "Prices have riz," says he. "Here's £1 3s. 4d." Or "Prices have fallen. Here's 18s. 7d."—as the case may be. Who gets—or pays—the difference? That is not a proper question.

A banking policy must be adopted in all countries participating in this scheme "destined to maintain the wholesale price-level stable at a figure which must obviously be considerably higher than the present intolerable distress level. . . . It is possible to raise the wholesale price level to the point necessary for the complete absorption of unemployment and for making industry profitable without diminishing the actual purchasing power of wage and salary earners and of owners of fixed monetary incomes."†

This is a jolly prospect. Prices will rise, but incomes will purchase the same! You don't see it? But then you've never had your 17s. a week paid in Banco money. And you want to know whether the cinema and your other sinful indulgences are included in "services essential for the well-being of the average family"? Probably not, but as you are going to be employed if you are "employable"—are you?—you may get a wage, even a little above the dole, and then won't you be rolling in wealth! And it's to go on for ever and ever. You in your small corner, and "owners of fixed monetary incomes" in theirs; stabilised for ever where you are. No, no. Not quite; but at the 1928 level. Were kippers cheaper then, or did the mugs hold more? He says they did, and he KNOWS.

But don't you ever invent anything to put you out of a job, or grow more for the same labour, or do any such sinful thing to upset the stability, for this is the law and the profits, that all shall be stable for ever and a day. "Which day?" Silly! The day of Judgment.

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.

* "The Money Maze." By Dr. Robert Eisler.

† Letter from Dr. Eisler to *The Times*, April 13, 1932.

Anatomy of War.

F. Le Gros Clark.

Let me invite you to contemplate the death-agonies of Capitalism. This system—the competitive system wherein is implicit the struggle for markets and fields of investment—now reaches its climax. It is no longer a struggle between individual producers only, but one between large National groups. So much is a mere statement of accepted fact.

At this stage Capitalism becomes, in the realm of production, a destructive thing. To ensure the level of profits and to prolong the life of the system, production is restricted, commodities destroyed wholesale, fresh inventions suppressed, research curtailed, technical skill allowed to rot, and more primitive methods of production deliberately used in place of up-to-date machinery. An anti-machine philosophy is fostered. The middle-classes are encouraged to yearn for the charms of the simple life, medievalism and handicraft.

Only at one point, the point where the system touches its acme of pure competitiveness—does Capitalism not dare to restrict and suppress. In the War industries experiment, invention, production, organisation go on apace. At this point the full forces of the system are released, its full capacities for delivering the goods are tested to their uttermost. At every other point there is a blockage. Capitalism, in other words, in reaching its final crisis, tends to lose all its other characteristics but the one most typical of it, the characteristic of pure competitiveness. Its fundamental nature is laid bare. So great, indeed, does the contradiction within it become, that it is almost prepared to weaken many of its real productive industries and certainly to weaken the physical standard of its workers, in order to feed the industries that serve the cause of mutual destruction.

The War-machine has, of course, to rest upon a fully organised National economy, a fairly high degree of technical skill in all branches of production and a broad public morale. It is unnecessary to say that if, in the years immediately preceding a war, certain basic industries have been starved and the skill and morale of the workers regularly undermined, the War-machine will have an exceedingly unstable basis upon which to rest. Nevertheless, the development of War-technique goes ahead; and the weakness of its foundations will certainly not prevent the large National groups from embarking on War when the time comes. Each group will be faced by another group with a similarly unstable basis to its War-machine. Each will pour destruction into an already collapsing structure.

From another angle one may say that the destructiveness of War merely carries a step further and into a fresh sphere the general destructiveness of the system at its present crisis. The aim of modern War will be to strike at the main productive and distributive centres, at harbours, rail-heads, factories, arsenals. The devastation may be prodigious. Capitalism will carry forward by new means its set task of restriction and curtailment, its inevitable tendency to reel back to a more primitive standard of living. Even now the system is showing itself quite ingenious in devising ways of limiting and inhibiting the productive forces, use of pests in rubber plantations, burning of wheat for fuel, and so forth. But these devices are rudimentary compared with the full-blooded resources of the War-technician. It is, in fact, only in the sphere of destruction that Capitalism is now proving itself truly ingenious. Its original characteristic of being a channel for the productive and creative forces has been inherited by its offspring, the planned economy of the Soviet Union.

The energies of the individual Capitalist had

necessarily, even in the earliest stages of the system's growth, been both productive and destructive. Goods had to be produced for the market; and competitors had to be destroyed by out-manceuvring, under-cutting, outbidding, and so on. It is inevitable that, at this crisis, the Nations should tend to organise themselves severally not for universal interchange of commodities, but for the perfecting of their War-machines. More and more important become the measures in the various Parliaments for ensuring that, in the event of War, the population rapidly alters its shape so as to serve most adequately the demands of the War-machine. Capitalism is—if one may personify the process—preparing to save itself from its own inevitable consequences by a wholesale destroying of the means of production; and Capitalism is hoping then to prolong its life and "start all over again" on the basis of a fresh distribution of spheres of influence.

The approaching War is a complex phenomenon. It has two aspects. On the one side it carries forward the system's necessary tendency to restrict its own forces, to devastate its own economy. On the other side it alters the relative strength and influence of the various National groups and ensures that some at least get a free field for a few more years. But in the present state of World economy the second result would be fruitless without the first. Each great Power desires not merely a free field for exploitation; it desires a field wherein the manifestations of earlier exploitation have been to some degree obliterated. Then and only then its heavy industries find an adequate market and its financial interests a satisfactory investment area.

But there is yet another factor to reckon with, the growing resentment and consciousness of the common people. War, it has been said, is a good seed-bed for revolution. It would seem then that, as the crisis draws on, Capitalism accelerates its pace towards its own annihilation. The perfecting of the various War-machines is the sole field wherein Capitalism dare not restrict and hamper its natural expansion. Yet thereby is it rushing towards the moment when defeated and devastated countries will be prostrate before the upsurge of the revolutionary forces.

War, then, in the modern epoch, is at once the sign that Capitalism has become sharpened down to its purely competitive destructive central characteristic, and the inevitable climax of its compulsion to curtail and sterilise its own productive capacities. The prospect is not an encouraging one. Yet there is no private escape from it, except if a man voluntarily and consciously identify himself with the forces of revolution and do thus at least save his soul alive. There is no other path open to him.

One may add a last word on the present situation. Japanese armies are approaching the Soviet border and have already violated the Soviet control of the railway zone. It is possible that Capitalism will even attempt to destroy the very springs of sanity and ordered progress that are incarnate in the Soviet Union, and promise to all the suffering peoples a release from the body of this death. If this be so, the crime is beyond even the shadow of forgiveness. That a doomed Capitalism should stagger on a few years longer is bad enough. That it should endeavour to prolong its wretched existence by exterminating the embryo of the new World—this cannot be for a moment tolerated. The destruction of the Soviet Union would, of course, be merely the prelude of intensified struggles between the various great Capitalist Powers. Nothing would be gained, and all would for the moment be lost.

The Films.

The Beast of the City: Empire.

This is an excellent example of one of those admirable, quick-moving, and technically efficient melodramas of which Hollywood alone has the secret. "The Beast of the City," a gangster picture, is excellent entertainment, is directed with uncommon competence, and is extraordinarily well edited, a characteristic that largely contributes towards the fast tempo essential in a production of the kind. Nine-tenths of the picture is everything that it should be, and although the plot rather goes to pieces at the end, the denouement is entirely convincing until one analyses it subsequently.

Incidentally, the annihilation of every character on the scene in the final sequence is so much in the Elizabethan tradition that the fade-out seems to call for a rhymed epilogue. A very good cast includes Walter Huston, Wallace Ford, Tully Marshall, John Miljan, Jean Hersholt, and Jean Harlow, the original Platinum Blonde. Mr. Huston has never had a more convincingly dominating role, and Mr. Hersholt, a distinguished actor whom stardom has for some occult reason always eluded, contributes a performance noteworthy for an amazingly good make-up as well as for characterisation. Charles Brabin directed. I recommend this picture as typical of the best that the commercial screen has to offer—a very good best of its kind.

G.B.S. Calling.

The management of the Picture House, Stratford-on-Avon, have sent me particulars of a British Film Festival that is being held next week. The selected films, most of which are early talkies, include "Atlantic," "Dreyfus," "The Middle Watch," "How He Lied to Her Husband," and "The Yellow Mask." The last is one of the worst pictures ever made, but it has more cinematic essence than is to be found in the film version of the Shaw play, which, although sent out from Elstree with encomiums that might have been regarded as a trifle exaggerated in the case of Shakespeare, is nothing but a series of photographs accompanied by dialogue. Concerning this production, Mr. Shaw has said:—

"I have repeatedly challenged America to reproduce my plays on the screen just as they are reproduced on the stage. They declare it impossible; they could work only on condition of being allowed to adapt the play to their technique instead of adapting their technique to the play. British International Pictures accepted the challenge and achieved the feat that Hollywood has found impossible."

Mr. Shaw is, of course, completely satisfied with all his work, but this sublime complacency need not have prevented him from trying to grasp the A B C of screen technique. The British achievement of "the feat that Hollywood has found impossible" consisted of converting a reasonably entertaining curtain raiser into a photo-play entirely devoid of cinematic quality. Yet one remembers that when British International secured the talkie rights they announced to an expectant world that the play was "from the pen of the greatest literary genius the world has ever known," an appreciation with which Mr. Shaw no doubt thoroughly concurs.

"Feelthy Pectures."

Muckraking is often great fun, and sometimes useful, but the muckraker should be certain of his facts. The authors of the luridly-titled "The Devil's Camera,"* are not; they make the common mistake of confusing assertion with argument, and of imagining that if you are indignant enough you needn't bother about evidence.

*"The Devil's Camera: Menace of a Film-Ridden World." by R. G. Burnett and E. D. Martell. The Epworth Press, 2s. 6d., paper 1s. 6d.

The tone of this lay sermon, which is dedicated "To the Ultimate Sanity of the White Races," claims to be "a Direct and Fearless Study of Modern Film Art," and is written in the style of a Nonconformist's pastor's address "For Men Only," can be gauged from the following extracts:—

"Our very civilisation is at stake. The cinema, as at present debased, is the Hun of the modern world.

"Most of the actors and actresses seem ready to go to any length in nakedness and decadence to earn the salaries doled out to them by the little group of mainly Jewish promoters who control the greater part of what is now one of the most skilfully organised industries in the world.

"The cinema is . . . at present a dread menace to civilisation. Unless it is cleaned up within this generation it will undermine every existing agency for decency and public order. The parsons may as well shut up their churches and the schoolmasters their schools."

This, and much more to the same effect is, in plain English, bosh. The case has been ruined by ridiculous overstatement. For there is a case, and a very strong case, to be made out against the contemporary cinema, with its persistent falsification of ethical values, its pre-occupation with the idle rich and the pseudo-romantic whore, its quite unnecessary suggestiveness in the way of undressing and bathroom scenes, its exaltation of brainless females who pose as wantons and turn out to be merely gold-diggers. But Messrs. Burnett and Martell have not even attempted to make out that case; they have merely hurled almost undiluted abuse at the screen, to the length of implying that unrest in India, revolutions in South America, and the disintegration of China, and the fall of the Spanish Monarchy—in fact, practically every recent event save the Kreuger débâcle—are at least partially due to the screen's pre-occupation with "SEX." And when they give in detail the theme of a picture, as in the case of "The Front Page," they miss its point; what is intended as denunciation, shot through with satire, of the methods of the American Yellow Press and the American judiciary, they misconstrue as the glorification of the gangster.

When Messrs. Burnett and Martell condescend to particulars, they are not much happier. They lament the "endless successions of smart risqué dialogue" in the talkies, in seeming ignorance of the fact that what the modern screen badly wants is smart dialogue, whether risqué or not. They are apparently under the impression that the variety theatre and the "legitimate" stage have undergone a thorough cleansing during the last decade, and blandly overlook that the sniggering sex titillation of the screen has merely been taken over from the stage, where marital infidelity is still the joke of jokes. And it has apparently never occurred to them that when it comes to prurience, there is scarcely a sub-editor in Great Britain or the United States who could not give points to Hollywood.

Two questions in conclusion:

What is the name of the film that "actually showed sexual intercourse between a man and a woman"? (Have the authors perhaps been misled by those pornographic *articles de Paris* so freely advertised in the French comic papers, and known to the sophisticated as "feelthy pectures"?)

Is it only a coincidence that the publication of this volume should have coincided with the campaign of blackmail, vituperation, unco-guidness, and hypocrisy that is at the moment being directed against the cinema in general, on the ostensible ground that the passing of the Sunday Films Bill will defile the British Sabbath (like the British Constitution, the envy of all foreigners who have no desire to adopt it) and outrage the "laws of God"?

DAVID OCKHAM.

Theatre Notes.

By John Shand.

The hero of "Wings Over Europe," the new play by Mr. Robert Nichols and Mr. Maurice Browne at the Globe Theatre, is a young scientist called Lightfoot. Lightfoot is a vile name. Nobody with a name like that could possibly discover how to control the energy released by the disintegration of an atom or indeed could do anything of first-rate importance; there is "a kind of a universal dovetailedness, a sort of a general oneness," as Mr. Curdle, of Portsmouth, would say, which forbids these things. Also Lightfoot is a singularly inappropriate name for a hero who is constantly treading on older men's corns—and not with the inadvertent step of an oaf but with that calculated kick which at once hall-marks him as one of the inner circle of Bloomsbury's Bright Young Men, who have quite the worst manners in the world. I would not suggest that the authors are not aware of the unattractive qualities of their hero, whose genius, like that of all stage geniuses, has to be taken on trust, but who can be seen to combine ill manners with a habit of talking high nonsense at great length which puts him (if he had the modesty to notice) in an awkward position from which to criticise politicians. But being aware of these things, how could the authors fail to foresee how much a hero like this would diminish one's interest in their melodrama? As a subject for ironic comedy Lightfoot might be perfectly well; as a hero for a "thriller" he is a sad blunder. For me, at least, he nearly obliterated whatever interest in the plot had survived the first act, in which Lightfoot spread himself in a sea of words that soon drowned the best part of my attention.

However, so far as I can now remember it, the play tells how Lightfoot has discovered the means by which he can blow the world to pieces and therefore informs the British Cabinet that the millennium has arrived. The forces he can control abolish the need for work of any kind; he has found the philosopher's stone; he can make enough food and so forth in a week to last the whole of mankind for ever; in every possible meaning of the word, man is free: so will the Cabinet devise at once some appropriate means of telling him his chains are now removed? The politicians will do no such thing. The Cabinet is of the opinion that human beings will immediately go to the devil if they are suddenly whisked into the heaven of complete leisure, and Mr. Lightfoot is therefore requested to destroy his secret. If he refuses to do so, as he indignantly does, he will quietly be removed to the deepest dungeon in the Tower of London—or was it the Bastille?—where he will remain for life. Lightfoot then exclaims, "Touch me if you dare!" or words to that effect. If the Government does not capitulate he swears the globe will disappear at twelve o'clock precisely (just like Cinderella at the ball), and that he only can stop the mechanism which is going to bring about this desirable event—desirable to him, the impudent little rabbit, because the Cabinet's politic behaviour has made him feel that humanity does not deserve to live any longer.

The Secretary for War, who is a "stout fella," and all that, discovers that Lightfoot can control the pending explosion by something he carries about with him (wireless, it proves to be, not psychic rays) and shoots the inventor right through the heart in front of the whole Cabinet—with his first bullet, too, which suggest that pheasant shooting every August has its uses. But as the politicians sigh with relief that men, especially Englishmen, have been saved from the hell of eternal leisure, comes a telegram from an international assembly of scientists. They too have discovered Lightfoot's secret and they send their orders to the British Government, and to all

other Governments, for preparations of the millennium (Heaven bless us, a whole warren of Lightfoots apparently!). As a warning against any "monkey tricks" the Cabinet is informed that aeroplanes are now over London (here the stage-manager makes appropriate "noises off") prepared to blow up the city with atomic bombs, and that similarly-equipped aeroplanes are over every capital. The politicians rush to the window and the curtain descends on the growing roar of engines. The play ends at the very point where it began and from which it has not moved—except to show that a British Minister will avoid a new idea even to the point of shooting the man who tries to force it on him.

Do I make this play sound rather silly? Well, I think it is. Melodramas are silly if you put them down on paper. And it is not playing fair to do so unless the melodrama pretends—as I rather think this one pretends, does it not, Mr. Browne and Mr. Nichols?—to be something more than mere melodrama. Of course, I am not objecting against the authors that they have written a "thriller" à la Wallace rather than developed an intelligent discussion à la Shaw. If I were so foolish as to do that I should certainly submit a number of objections. I should point to those silly aeroplanes which give the play its excellent title; for although they provide a good curtain they are obviously unnecessary to a group of scientists who, according to the dramatists' own formula, are able to subtract this planet from the solar system by pressing a button. I should want to know if a famous scientist could be imprisoned without a word said; and so forth. I should contrast the absurd Lightfoot—whose conceit with himself and his atom reminds me of Gilbert's "I can trace my ancestry back to the primordial protoplasmic atomic globule and consequently my family pride is simply enormous"—with the modest behaviour of the two young Cambridge scientists who only last week successfully bombarded an atom of hydrogen until it began to disintegrate. I should compare Lightfoot even more unfavourably with a living genius, Major C. H. Douglas, whose profoundly simple adjustment of the money system includes the knowledge of the fact that modern engineers do not need the energy in the atom, no longer indeed require more power over nature than they already command, to provide ample leisure with ample resources for everybody. The characteristic inability of this real Mr. Lightfoot to get excited and annoyed because the world is slow-witted and after ten years is only just beginning to get the glimmering of a notion of what he is talking about, proves once again if proof is needed the essential sanity of genius, and illuminates with uncomfortable clarity the behaviour of the theatre's Mr. Lightfoot, which is that of an hysterical and impotent artist—if it bears any relation to human behaviour at all.

But as I was saying, these things do not matter in melodrama, in which one does not expect to meet with real people or credible events. But one does expect things to happen, either physically (villain ties hero to the railway line), or audibly (villain plans with villain to tie hero to railway line). My objection to "Wings Over Europe" is, therefore, quite simple: there is too big a proportion of talking to doing. The stage is a place on which to show things as well as a platform on which to talk things. For most of the time the curtain is up on this piece, the spectator (note the word "spectator") could close his eyes and miss nothing except that a number of the actors are made-up to look like well-known politicians. This is to turn the stage into a broadcasting studio. By the way, the actors—there are no actresses in the cast—help the play considerably, for there is not one of them who does not enliven his part with a neat "character"

study. As the cast is as long as your arm, I congratulate them in a lump; and I can also praise the authors who have differentiated this group of politicians very nicely. If you want to see the actors and hear the play you had better hurry. When I walked into the pit the other evening at curtain-rise, I was sorry to note row upon row of empty seats and the front row of the pit well down in the stalls—a fatal sign.

Social Credit Lecturing Technique.

AN EXPERIMENT.

At a recent meeting held for the benefit of new inquirers into Social Credit, an experiment was made by the promoters along the following lines: the proceedings consisted of a short address probably lasting not more than twenty minutes throughout, but divided into six sections of approximately equal length, each dealing with a separate aspect of the subject. The six sections were respectively:—

1. The Problem.
2. Money.
3. The A plus B Theorem.
4. How the present system attempts to equate A plus B.
5. Credit.
6. The Douglas Proposals.

Questions were taken and dealt with at the end of each part of the address. Five minutes were allowed on Part 1, ten minutes on Part 2, and fifteen minutes each on the remaining four parts.

The effect of this was to split the proceedings up into what were virtually six meetings, for the rule was followed of making the questioners keep their questions relevant to the section just preceding them. This is a useful variant of the suggestion made in an article we published on March 17, commenting on a meeting promoted by the Leisure Society. That suggestion was either to hold the meeting on a defined aspect of the subject previously announced, or else to begin with a comprehensive address and then sort the questions into groups to be answered in some sort of group order.

From accounts we have received, the results of the new plan were very satisfactory. It will be seen that as against twenty minutes for all the six addresses there were seventy-five minutes given up to questions. Everyone accustomed to Social Credit instructional meetings will realise what a lot of time the audience is disposed to take up in discussion. Below we print the first four sections of the address, and shall complete it next week. It may be mentioned that in order to keep to the time-table the lecturer took the trouble to write out what he was going to say.

1.—THE PROBLEM.

The problem we are here to discuss can be simply stated, it is one of distribution.

On the one hand there is so-called over-production, with unemployment and idle factories as well, on the other is poverty, insecurity, destitution. In other words we have abundant supply and vast unsatisfied demand.

Any little child could see that this is not really a problem at all, that only some fantastic grown-up silliness is preventing all this abundance from being distributed.

Any dictator who knew his job and had enough machine guns could no doubt solve it too.

Somewhere in the economic system someone has blundered, and some of us know who, where, and how.

The economic system consists of three parts: the industrial, or producing system, the public or the consumers, a 100 per cent. body, and the financial system whose function is to assist the production and distribution of goods and services.

The objective of the economic system is seldom clearly stated.

From the newspapers we might gather that it exists to provide employment, and fails.

From big business men that it is a system of rewards for the industrious and punishments for the idle.

Now people do not primarily want employment: they want goods and services, and opportunities for voluntary activities; and if we must reward and punish, there is no need to mobilise the whole economic system for the purpose. The real objective of the economic system is to produce and deliver goods and services for whoever may require them, with least expenditure of effort.

Whatever impedes this objective must go or be modified.

2.—MONEY.

I want you to get into your minds a picture of how money comes into existence and where it goes, so that you can go home and draw a diagram of it in coloured chalk.

Remember that the industrial system cannot make money—only goods or services. It can borrow money, and distribute it in wages, salaries and other payments; it can account for these and call them costs of production; and it can try to recover them in prices to repay the loan.

The consuming public first gets its money from the industrial system as wages and salaries, and it can lend some to the industrial system and get dividends, but it all came originally from the first lender to industry.

These members of the public pass some of the money on to professional men, they can pay taxes, the taxes repay bank loans which have been distributed to other members of the public including the unemployed.

Thus you will see that all this money starts from the financial system, and eventually returns to the banks either directly by the repayment of government borrowing, or through the prices of goods and services, with which the industrial system hopes to repay its borrowings. I hope you have that picture clear and will have fun with your coloured chalk.

3.—A + B.

The fantastic grown-up silliness which is making so much trouble is a chronic shortage of money in the hands of consumers.

The reason for this is what Major Douglas has called the A + B theorem, which divides all industrial payments into two groups.

Group A. All payments to individuals (wages, salaries and dividends).

Group B. All payments to other organisations (raw materials, plant, repayment of bank loans and other non-personal costs).

Now the rate of flow of purchasing power to individuals is represented by A, but since all payments go into prices, the rate of flow of prices cannot be less than A + B. Since A will not purchase A + B a proportion of the product at least equivalent to B must be distributed by a form of purchasing power which is not comprised in the description grouped under A.

This statement is so obviously true that it is difficult to see why people boggle at it. Please observe carefully it does not say that a proportion of the product equal to B must remain unsold—it simply says that it must be distributed by a form of purchasing power not included in A.

It follows that it is the job of the financial system to get additional purchasing power into the hands of the public at a rate at least equal to B.

At present it is handicapped in this endeavour by the rule that no one must have any money unless he works for it, which of course creates an equivalent cost again; nevertheless, for a long time the financial system has coped with this problem on a fairly satisfactory, though rough and ready, manner; in fact, probably quite unconsciously until recently, as I will shortly explain.

4.—PRESENT METHOD OF EQUATING A + B.

We have seen that the flow of goods coming on to the market must, on pain of bankruptcy, be sold at prices which include two kinds of cost, A, personal incomes, B, plant and other charges, and that personal incomes simultaneously available must be supplemented by the financial system at a rate at least equal to B.

One way in which this is done is by stimulating new forms of industry, or, in other words, creating new demands from industry. These are considered to be suitable recipients for loans so long as profits may be expected. These loans are distributed in wages, etc., and become available as a small addition to total current incomes, and thus give some measure of relief to industry which is endeavouring to recover its B costs from somewhere.

Of course, the old industries are busy preparing a fresh lot of goods at the same time as these new industries are starting, and the net result is that at the next stage of the proceedings more new industries must start trying to create more fresh demand.

Now this was an excellent thing at first, because it stimulated invention, provoked a striving for great efficiency, new methods, mass production and so on; but it is possible to have too much of a good thing, and we have reached the point where everyone is trying to force everyone else to buy things they don't really want, and spending huge sums in advertisement for this purpose. It is at least obvious that if there were any real shortage of goods huge numbers of publicity agents, super salesmen and the like could turn their hands to making boots, or growing coffee, or mining coal, or any other production in which there might be a shortage.

At any rate we can conclude that this method of supplementing incomes to purchase current goods is becoming more and more difficult; even the drug trade and the white slave industries are becoming uncomfortably over-crowded;

whilst new kinds of vacuum cleaners, refrigerators, radiograms and so on merely tend to throw the older kind out of business.

The other main method used by the present financial system is more important and more ingenious, and was for a long time very successful. It consists in financing what we call forced exports; that is to say exports in excess of what are required in exchange for imports of goods we are unable or unwilling to produce for ourselves.

This excess of exports is called by orthodox bankers and economists a "favourable balance of trade," and is financed by means of "overseas investments," which produce purely financial results, and distribute incomes available to take some more B goods off the shelf at home.

The process has been described by President Hoover from the American standpoint. "We have," he says, "an equipment and a skill that yield us a surplus of commodities for export, for which we cannot usefully take compensation by way of imported commodities. There is only one remedy and that is by the systematic permanent export of our surplus production in reproductive work abroad." England is supposed to have about £4,000,000,000 so invested—the reproductive work being the establishment of manufacturing industries to compete with our own.

This intensive commercial rivalry thus engendered of course inevitably leads to war, when sound finance is abandoned and everybody is prosperous. Luckily for the sanity and peace of the world there is another "remedy" for the ability to produce abundance. Apart from these deliberate attempts to distribute a portion of our products equal to B by means of purchasing power not included in A there is a measure of relief provided from time to time by industry itself; bankruptcies mean sales below cost, that is to say at prices less than A + B, which of course relieves the situation for the public and for other industry; hence the term "healthy" bankruptcies.

(To be continued.)

Events of the Week.

(Compiled by M. A. Phillips.)

- 1932. April 30. Wall Street, slump in steel and wheat shares. Treasury Loan 3 per cent. floated (Lottery Loan). Mr. MacDonald in *News Letter* gives hint about future rise of prices.
- May 1. Beaverbrook's anti-Bank campaign now in full swing.
- May 3. New South Wales.—Mr. Lang gives up certain papers to Commonwealth officials. U.S.A.—Congress passes Currency Inflation (Goldborough) Bill. Hollywood wage cuts and "strikes."
- May 5. U.S.A. Treasury deficit of more than 2,000,000,000 dollars announced. Sudden rise in price of tin following restriction plan.
- May 6. Hoover warns Congress of danger of inflation, etc. Rumours of Anglo-Dutch and Soviet arrangement regarding oil production, marketing, and supply restriction.

SOCIAL CREDIT IN MARYLEBONE.

The following three questions were put to Sir Basil Blackett by a group of our supporters at one of the election meetings in Marylebone. The questions were in typescript. No questions were allowed but written ones. The Chairman got the typescript at the bottom of the pile, and it looked as if these questions would not be reached by the end of question-time; so the group got restive and called out for the answer, and after a little trouble Sir Basil answered the first question (in the affirmative), but avoided saying anything about the others:—

1. "Will you consistently vote against any party which in any way seeks to imperil the supremacy of the King in Parliament over everything in Britain, including its financial system?"
2. "Will you consistently vote against any party which within three months of your return to Parliament does not institute a public inquiry into the reasons for the world-wide prevalent surplus of goods and accompanying universal shortage of money?"
3. "In that inquiry will you advocate full and fair consideration of any suggested diagnosis or scheme for its abolition which is backed by 5,000 genuine signatures, even if it should be the Douglas diagnosis and scheme?"

GLASGOW DOUGLAS CREDIT ASSOCIATION.

On Tuesday, May 17, at 7.45 p.m., in the Christian Institute, Bothwell Street, Glasgow, Ex-Baillie P. McDevitt, J.P., will give a public address on the Douglas Credit Proposals. Questions welcomed. Collection.

PUBLIC MEETING.

THE LEISURE SOCIETY (No. 1. MESS.)
G. F. Powell, Esq., will speak on Friday, May 20, at 7 p.m. at the National Trade Union Club, 24, New Oxford-street, W.C.1.

"A CHALLENGE TO SCOTLAND."

"There was a large, and obviously a keenly interested, audience in St. Andrew's Hall on Tuesday, when Major C. H. Douglas delivered an arresting speech on the power, working, and objective of the existing financial system. No one could fail to be impressed by the deliberate, precise, and skilful presentation of the case made by Major Douglas. He left no doubt as to the real issue which confronts the world at the present juncture. It is a tremendous issue, and calls for the most profound attention from all who desire the good of mankind. Major Douglas claims to have found the remedy which, if applied, shall settle the economic problems of mankind. This settlement will so change the whole plan and purpose of our economic activities that it will bring individual and national liberty from the realm of hope to that of actuality. It is a high calling for this generation to create this new condition, and Major Douglas puts forth the challenge to Scotland to make the endeavour. It is almost a desperate challenge, but that is the kind of challenge which rouses a nation to daring. It is, indeed, a big thing to achieve national freedom, but it is bigger still to lead the way to a free world wherein nations gladly co-operate in the spirit of free men. Will Scotland dare?"—*From The Free Man*, April 30, 1932.

LETTERS TO THE EDITOR.

THE OVERPRODUCTION RIDDLES.

Sir,—Your issue of April 28 might innocently convey the impression that the riddles relating to the economic paradox originated with myself.

They were quoted by me from memory of an article by W. T. Foster which appeared in one of the New York papers—the *Herald*, I think. C. H. DOUGLAS.

DOUGLAS PROPAGANDA AND THE "MORAL" OBJECTION.

Sir,—In the course of my studies I met with a passage in Plato's "Euthyphro," which has a direct bearing on the above heading. The following is a translation:—

"Socrates. Now what sort of variance gives rise to enmity, my dear sir, and angry feelings? . . . Supposing you and I were to differ on a question of number, as to which was the larger of two sets of things, would our difference on that point make us enemies and excite in us angry feelings against each other, or would we have recourse to calculation and soon come to an agreement on such a question?"

"Euthyphro. Of course we would."
"Socrates. Then what is the question that would make us enemies and angry with each other, if we differed about it and could not arrive at any decision? . . . Consider whether it is not questions of right and wrong, of the honourable and the base, of good and bad. Are not these the questions that upon occasion make you and me and all other men enemies to each other, when we differ about them and cannot attain to a satisfactory settlement of them?"

This underlines what has often been said about the comparative ease with which A + B can be "put over" if moral considerations are not intruded. But they always intrude themselves, and perhaps our foremost and greatest task is to deal with them. If we can resolve the work-complex, the "question of number" will be easy.

University College, Durham.

THE SPEECH "CENTRE."

Sir,—I desire to express no opinion of Mr. Lynch's book. I have not read the book and therefore have no opinion about it.

"N. M.'s" statement that in at least two British Universities "the conflicting nature of the evidence concerning the localisation of the speech centre is stressed" is of a kind that never appears in *THE NEW AGE* when finance is the subject of discussion. It may be true. If so, a parallel (and possibly related) truth about our Universities is that in them "the conflicting nature of the evidence concerning the sources of social credit is stressed." Your readers will

CARTOON BY "JOT." (No. 2)



TIT FOR TOUT.

"The Old Sow of Finance has a tit for every tout."—*New Age NOTES*, March 24.

be quick to detect "the localisation of unsatisfactoriness in statements of this kind."

It may interest your readers to know that just as a road has been cut by Major Douglas through the conflict of words about credit, so a brilliant Englishman has begun a navigable way through the academic conflict of words about speech. He is Sir Henry Head, and his published work on Aphasia is readily obtainable. It is regarded by medical practitioners as a disaster because it imposes upon them the necessity of understanding speech realistically instead of linguistically—looking at it from the point of view (shall we say) of the brain, not from the point of view of an expert talker. Since the clinician can now make more money out of the exploitation of an erroneous analysis than he could out of a true one, Head's work is not likely to become socially fruitful. The purpose of the Universities is to maintain an even balance between truth and error: the association between Liberalism and finance on the one hand and education on the other is not fortuitous. Head's starting point will appeal to your readers: "What is it that the man cannot do now that he could do before he received the precise injury we know him to have received?"

The University, Liverpool. TUDOR JONES.
HAMIL ON HOOVER.
Sir,—Any of your readers interested in the President of the United States might perhaps be able to read "The Strange Career of Mr. Hoover Under Two Flags," by John Hamil, Illustrated and Documented, Published in 1931 by William Faro, Inc., New York. It is a large and learned work, and of such a character that if published in this country about anybody would either earn for the author the maximum sentence for criminal libel or ensure for the subject a still more severe sentence. H. COUSENS.

WHO'S THE CULPRIT?
Sir,—Having observed, more than once, certain supporters of Social Credit at meetings and in conversation, I wish to make an appeal, please.

There is much to be said for those who favour the uniform as a means of focussing attention. I cannot adopt that idea, personally.

But I am equally keen on conciseness of observation, simplicity of apology, and above all "coming to the point." May I, without personal references, utter a warning against becoming the club, or eating-house, "bore." We need to inspire, not perspire.

Our policy is reasonable, so let our bearing be tactful. I have in mind a good writer and theorist. He is an obstructionist, and even a positive danger once he starts speaking! I've known him be asked to turn out of a tea-shop after three hours' talking, and in a loud voice, to the annoyance of customers.

In one case, even police inquiries followed, with a suspicion of possible certification in store. But he is still at large—so far!
TOM JONES, A.S.S.

SORTES BURNSIANAE.

Sir,—The readers of *THE NEW AGE* are probably immune to the suggestive influence of auguries, omens, and divinations, but they might be interested in my experience on returning home from the great meeting on April 26 at St. Andrew's Hall, Glasgow, when Major Douglas addressed nearly 3,000 people.

My daughter was sitting at her school lessons with a litter of books on the table beside her. I took up casually one of the books and found it to be an edition of Burns's poems. On opening it the name "Douglas" caught my eye, and this is what I read:—

One Douglas lives in Homes immortal page,
But Douglasses were heroes every age;
And tho' your fathers, prodigal of life,
A Douglas followed to the martial strife,
Perhaps if bowls row right, and right succeeds
Ye yet may follow where a Douglas leads!
Is rantin', roarin' Robin also among the prophets?
The reference is from "The World's Classics" edition, page 236, under the title "Scots Prologue."
W. S.

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

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