

# THE NEW AGE

INCORPORATING "CREDIT POWER."

A WEEKLY REVIEW OF POLITICS, LITERATURE AND ART

No. 2084] NEW SERIES Vol. LI. No. 16. THURSDAY, AUGUST 18, 1932. [Registered at the G.P.O. as a Newspaper.] SEVENPENCE

## CONTENTS.

	PAGE		PAGE
NOTES OF THE WEEK	181	OBITUARY	189
Irish Affairs—mobilisation of the bankers' army.		"WHO'S GAME?" By M. W. Gordon-Cumming	189
AUSTRALIAN AFFAIRS. (Editorial).	183	The Social Credit advertisement in <i>The Times</i> .	
<i>The New Age</i> quoted in the <i>Labour Daily</i> .		NEWS NOTES. (Editorial)	189
THE BIRTH OF A PLAN. By S. R.	184	CORRESPONDENCE	189
On the genesis of "improvements" on the Douglas Proposals.		Alison Neilans.	
PHRENOLOGY AND POLITICS. By John Grimm	185	A PERSONAL RE-ACTION TO SOCIAL CREDIT	190
THE ULTIMATE OWNERSHIP OF PROPERTY. By A. B.	187	A private critique.	
THE FILMS. By David Ockham	188	REVIEWS	190
<i>Two Seconds. Justice For Sale. The Mouth-piece.</i>		<i>The Map of England.</i>	
TWO STORIES. By R.	188	CARTOON. By "Jot"	191
Authentic banking episodes.		<i>Mr. Thomas William Lamont's Travelling-Companion.</i>	

## NOTES OF THE WEEK.

At the outset of Mr. de Valera's term of office we said that the real tussle with Great Britain would take place over the Annuities, not the Oath. No price-value attaches to political allegiance per se, so it has no security-value, and therefore does not interest the bankers. To them the King is a superfluous functionary, and the Monarchy a financial liability. They are in sympathy with the contemptuous attitude expressed in the American expression: "this King business." It is true that while the Crown is recognised they can and do exploit its influence, but the extinction of the Monarchy would not impair their powers of influencing public opinion. The execution of Charles I. was not entirely unconnected with what is to-day formalised as the doctrine of political non-interference in financial policy. Charles did interfere by fixing prices and punishing extortion. (Ludovici: *A Defence of Aristocracy*.) The reason why he did it is irrelevant to the consequences of his doing it, except in so far as this "nation of shopkeepers," by alleging a dishonest motive behind the policy, would be able to justify their resistance to it. We do not mean to stress this as an important factor in the politics of the period; we mention it chiefly because of its bearing on the subject of the parallel between the Divine Right of Kings and the present Divine Right of Bankers—a subject which would yield fruitful articles if explored by students of history who are also students of credit-policy and technique. The policy of the bankers' right to control monetary profit rests on the fact that they do not personally profit from the consequences of their decrees. They may pinch feathers from any nest so long as they do not line their own with them. And the public, being unable to conceive of any other motive for feather-raids, ascribe them to the will of God mysteriously communicated to the bankers after the model of Moses on Mount Sinai. Though in each one of them there inheres a lust of power, they never dream of suspecting this propensity as a driving force in

high-financial policy. The reason is that their own lust of power has so little scope for exercise that they have become unaware of its existence in themselves, and therefore oblivious of the fact that it dominates the character of their rulers. Opportunity makes the thief, says the proverb; and so does it make the power-maniac. But as the public come to realise, as slowly they are, the majestic power of domination residing in the control of credit, they will also realise that they are in the grip of a tyranny beside which the old speculations of kings sink to nothingness.

The root of all evil is the love of money, says the Scripture. But the root of that love is the lack of money. And the root of the lack is mismanagement of the monetary system. The responsibility for that mismanagement rests with those who control the system, not with the community. Whether that control is exercised in the way it is through ignorance or by design the nature of the consequences is the same. Thus the root of all evil is financial policy. The authors of all crimes and so-called crimes connected with money are the credit-monopolists. Whether it is the case of a smash-and-grab raider at the bottom, of a manipulator of balance-sheets at the middle, or of a repudiator of national agreements at the top, each and all of these irregularities are automatic consequences of a single irregularity in the control of credit; and the floggings, imprisonments, and vilifications borne by the several subjects of this control should in justice be visited on the banking authorities who impose those punishments. The idea of an executioner hanging somebody for his own crime appears to have been too extravagant even for Grand-Guignol playwrights to entertain; yet it is virtually taking place every day. What bankers call the appalling increase in crime is simply a manifestation of an appalling increase in economic insecurity. No punishment will change human nature. The law of survival will work itself out in terms of crime until access to the means of survival, now seen to be physically attainable, is made financially and legally attainable.

The bearing of these reflections on the Irish situation need not be elaborated. Every item in the bankers' indictment of Mr. de Valera can be brought against themselves with equal validity. Is he "obstinate"? So are they. Is he obsessed by ancient history, and legislating to meet circumstances which have long ceased to exist? So are they. For if they charge him with allowing memories of Irish famines, evictions, etc., to dominate his policy, they themselves lie open to the charge of basing their policy on memories of the bygone age of scarcity. Mr. de Valera's nursing of old injuries when the possibility of their recurrence has vanished (which is the substance of their charge as reflected in their Press) is an exact parallel to their own nursing of old precautionary financial measures which applied science has long since rendered unnecessary. It is a grotesque matter to reflect that whereas, once upon a time, the peasants of Ireland faced starvation because their produce was being sent to "absentee landlords" in England, they are facing starvation to-day for precisely the opposite reason, namely that England won't accept their produce. The question will bear investigation why it is that when Ireland could not afford to make payments abroad in kind, payment in kind was exacted; whereas now that she can afford to do so, payment in kind is resisted, and payment in money exacted. The question has a wider application than to Ireland—the phenomenon is in fact universal—but the case of Ireland is a striking example of the change. We do not propose to discuss the question now, but will simply point out that whereas it is a rigid axiom of finance that indebtedness must be discharged by the debtor, it is an equally rigid policy of finance to prevent the discharge of the indebtedness. When that American gentleman said that the debt of Britain to America was "worth an army corps to America," he was unwittingly confirming what we say. Under the rules of international finance, creditorship carries with it the right to impose policy; and, conversely, debtorship is essentially a relinquishment of political sovereignty. It was Australia's external indebtedness which, and which alone, gave Sir Otto Niemeyer the right to impose a domestic monetary policy on the Commonwealth. And a close investigation of this, and other domestic policies dictated by creditor groups (disguised as "countries") would reveal that they are framed to render repayment of existing debt impossible without the contracting of new debt. They do not really want to receive interest; they demand it in form so as to preserve the symbolisation of their right to impose policy; and they design the policy in such wise that the payment of the interest exhausts the power of the debtor country to repay the principal. The present talk about all-round cancellation of debt refers only to what are termed "political" debts. Their cancellation would leave "commercial" debts standing; and even a cancellation of all international debts would do nothing to prevent a renewal of international borrowing. Cancellation is linked up with disarmament; and a disarmed world is a safer security for loans, the reason being that no Government could then resist any conditions at all attaching to new loans even if it wished to, while the elimination of armaments would have meant also the economic suppression of that part of the community, the military caste, which, at present is influential enough to prevent the Government from accepting conditions manifestly incompatible with the rights of sovereignty. The narrow nationalistic sentiment, as the bankers call it, would have been scrapped along with battleships; and in a short time the "military defence" of every nation would be a squadron of B.I.S. bombing machines.

We advised our readers to watch out for a repetition in Ireland of the technique employed by the

bankers in Australia to defeat Mr. Lang. We pointed out that Mr. de Valera started with an advantage over Mr. Lang in that he was backed by a military body, the Irish Republican Army. It was not, nor yet is, clear whether the I.R.A. lead him, or he them; or whether his policy as outlined coincides in essentials with theirs. But there is an indication that a common element exists in their respective policies which the bankers are prepared to resist at all costs. For the bankers have begun to enrol an army of their own in Ireland. This is reported in the *Observer* of August 14. On the previous day a statement was issued in Dublin by the "National Executive of the Army Comrades Association." This body is the counterpart of the Australian "New Guard." It declares itself to be "non-political" and says that it proposes to form a volunteer division of "all who feel the need for the existence of a powerful, steady, moderate body of opinion." According to the *Observer's* Correspondent many young men have offered themselves for enrolment. "Their obligations," says he, "are not likely seriously to interfere with normal occupation, but will, of course, involve attendance at drilling parades." (Readers will recall the proclamation of the Western Australian Government threatening seven years' imprisonment for anyone found drilling the unemployed.) The Association defends its action by reference to the fact that, as it alleges, there has grown up a "fashion of branding as 'traitors,'" certain public men, and points out that if "any harm comes to any Irishman as a result of 'traitor-pointing' the consequences might be a deplorable condition of reprisal and counter-reprisal."

This is an echo of statements made during the debate in the Dail when Mr. de Valera took powers to raise a sum of £2,000,000 to deal, as he said, with the internal consequences of the British tariff against Irish exports. Several members of the Opposition saw, or affected to see, behind this action an intention to subsidise the I.R.A., and, apropos of their interpretation, made statements insinuating that the I.R.A. was marking them down for assassination. What evidence they had of this they did not disclose. They were probably relying simply on the antecedent probability of acts of violence arising out of the situation as it develops; but if that was all they had no right to allege that the I.R.A. were preparing and directing them. Personal initiative is not extinct in Ireland; and spontaneity of violent action is a common phenomenon in all countries given certain economic stresses. The effect of these charges, if not the intention, is to fasten in advance on Mr. de Valera and his supporters the authorship of or connivance in any acts of violence that may occur. This is quite another thing than a charge of indirect moral responsibility, which might plausibly be brought; but then, if it is a question of such responsibility, the charge can just as plausibly be answered by a counter-charge of those who disavowed the discontents. On that question, Mr. de Valera's action in withholding the Annuities did not in itself inflict any injury on the Irish people. The discontent was in Threadneedle Street. It was the Bank of England's fiscal reprisal which inflicted injury on the Irish people. So the responsibility for violence would be at least a divided one in the assumed circumstances.

But we need not pursue the discussion along these lines, because, with the recent history of New South Wales open before us we can see that the emergence of a bankers' army in Ireland was inevitable irrespective of whether the I.R.A. existed or not. They could afford to take their time in Australia because Mr. Lang was only armed with a popular mandate

They have had to hurry in Ireland because Mr. de Valera's mandate has military force as well as popular sentiment behind it. Thus the existence of the I.R.A. has only affected the time-schedule of the bankers' programme; it is not the cause of the programme. The cause is Mr. de Valera's financial policy.

The reason given by the Army Comrades Association for its enlistment policy is too thin to be credible, and in fact the *Observer's* Correspondent does not attempt to disguise his interpretation of it as a move to provide the Opposition with a military force to offset that which the Government possesses. He says:

"That this new movement is a challenge to the present Government's policy regarding the Irish Republican Army and other associations which were declared illegal by the late Government is obvious."

The meaning of this will become clear by reference to the episode in Australia when the Federal Attorney-General told the Labour Government (for Scullin was then Premier) that they could not use the Commonwealth forces for an "illegal purpose." An illegal purpose is of course one which is held by the Courts to infringe some Constitutional principle or rule. This in practice means any purpose which the bankers object to, for their viewpoint is either embodied in the Constitution *explicitly*—in which case the judges have to endorse it; or *implicitly*—in which case they help the judges to ascertain it; or *ambiguously*—in which case they select the particular judges whom they foreknow to hold it; or *not at all*—in which case they alter the Constitution. Now, Mr. de Valera is in the same position as was Mr. Lang. His policy can be judicially pronounced illegal whenever the time comes to bring the Courts into action. Hence he cannot count upon the Regular Army to carry out his orders, nor can he punish any officers or men in the Army for refusing to do so. And, whatever sympathy they might feel for his policy they would be hesitant to obey for fear that he would lose in the end, and that a new Government would punish them for their obedience to him. Needless to say, the bankster Press would do all it could to feed their fears and incite them to disaffection. So he is reduced to reliance on the Irish Republican Army; and it is precisely because he has such an army to rely on that the bankers are raising another army on whom they can rely. The *Observer's* Correspondent says:

"Many people cannot fail to be struck by the extraordinary fact that this small country has now the prospect of three armies. Sometimes these are referred to airily by distinguishing colours. Thus the Green Army is the official Free State Army, while the Red is the Irish Republican Army, and the White is the new volunteer wing. Naturally, many people regard the presence of two unofficial armies alongside the Regular Army as nothing short of a menace to peace."

They are quite right. If Mr. de Valera will not climb down, the bankers won't hesitate to precipitate an economic situation in Ireland which must result in civil war.

#### WEST RIDING SOCIAL CREDIT ASSOCIATION.

The meeting of the above Association held at Cleckheaton on Tuesday, August 9, was noteworthy for an inspiring influx of members capable of rendering valuable service to Social Credit and for the many avenues of propaganda and methods of action submitted for consideration. It was found necessary to hold a further session before deciding upon the most effective lines of action. In the meantime, particulars of all the services members are capable of rendering are to be collated and a book exchange set up. Readers of THE NEW AGE are expressly invited to communicate with the Convenor (pro tem.), Mr. J. J. Taylor, Clarendon House, Cleckheaton, for particulars of the next meeting to be held on Saturday, September 3, at 2.30.

## Australian Affairs.

We reported in a recent issue of THE NEW AGE that the *Labour Daily* of May 30 (during the Federal Election campaign) had made long quotations in a leading article from our issue of April 21.

On June 13, after the result of the Election was known, the *Labour Daily* repeated these quotations verbatim. It is, we should imagine, a very rare event in journalism for such a thing to happen, especially seeing that the quoted passages run into something approaching several hundred words. In the later reproduction the only difference was an alteration in emphasis (indicated by the selection of passages for setting in blacker type). In a preface to this reproduction THE NEW AGE is referred to as "a Conservative British weekly review of politics, literature and art." For the information of readers we may recall that the notes chosen for reproduction were those in which we drew the parallel between Niemeyer's arrival in Australia last year and Mellon's recent arrival in England; also the parallel between Niemeyer's relations with Gibson and the Federal Government, and Mellon's relations with Norman and the British Government. It was in these notes where we made the remark: "When Niemeyer called Australia to heel he sent Australia to school." We also said: "It is of comparatively little consequence that Mr. Lang himself is not (or may not be) conscious of the full import of his gesture of financial default: the essential factor in the situation is that the longer the final manifest defeat of Mr. Lang's policy is deferred the more will the undesirability of its defeat be appreciated by the thoughtful elements in Australian politics." Both the above remarks are among those selected by the *Labour Daily* for emphasis in its reproduction of our "Notes."

On June 28 the *Labour Daily* reproduced further extracts from another series of "Notes" which appeared in THE NEW AGE of May 19. We print them hereunder together with the editorial context.

Following its merciless exposure of the international pressure exerted through the U.S.A. Ambassador to London (Andrew Mellon) for the wrecking of the Lang Government, the "New Age," a British weekly review of politics, literature and art, commands attention when it again returns to the subject of the Lang Government and international finance.

The earlier contribution, which was published three weeks before Mr. Lang's dismissal, proved to be prophetic in its claim that Mellon, on behalf of American finance, had instructed the Bank of England that "it was not keeping its time-contract regarding the dismissal of Lang, who must go—and go quickly."

In its issue of May 19, four days after the Bank of England had carried out Mellon's instructions, the review contended that Lang had beaten the banks to such an extent that the bankers had dismissed him.

"We have consistently maintained that the present Commonwealth Government was a pantomime animal—Niemeyer and Lyons performing within the Kangaroo's skin of democratic constitutional form," writes the journal. "This last event has twisted the animal up; and the face of Niemeyer and the feet of Lyons are unmistakably modelled in its tightened skin."

"The 'democratic' deceit is on the point of bursting. Lang's policy was technically and politically vulnerable to criticism; but even if not—if he had adopted Social Credit—the same result would have taken place. We have no space to repeat our arguments now (at this late moment when the news is just to hand)."

"Readers in Scotland, Canada, New Zealand and South Africa can point their moral to the democracies of those countries."

"Lang has been dismissed for breaking the law of a cooked Constitution. It is nonsense to talk of Federal 'mandates'; for once granting that the bankers have

power to compel an appeal to the electorate whenever they like, then they are bound to get the verdict they want."

The third and last reference we make to the above paper concerns its issue of June 23, in which the results of the voting are tabulated. The following is the summary:—

Australian Labour Party .....	517,284
United Australian Party .....	508,652
United Country Party .....	82,647
"Federal Labour" .....	56,340
Communists .....	13,802
Independents .....	22,304
Women's Candidates .....	1,306
	<hr/>
	1,202,335

It will be remembered that we said in a recent issue that, notwithstanding the change in representation brought about by the election, the anti-banking organisations in general and Mr. Lang in particular were entitled to congratulate themselves upon the result. We pointed out that their reduced representation in the Legislative Assembly was proportionately much more than that of the tame Labour Party in the British House of Commons, and this in spite of the enormous weight of influence, legitimate and otherwise, employed in Australia to discredit indiscriminately every element in Mr. Lang's policy which directly or indirectly challenged the privilege of the banking monopoly. The figures now quoted emphasise the weight of the above comments, for it will be seen that out of a total number of approximately one million votes the Australian Labour Party polled over half a million. It would be incorrect to interpret this as meaning that half the electorate consciously supported the policy outlined by Mr. Lang—much less his method of initiating and developing its application in New South Wales—nevertheless it does measure the number of people in Australia who had the vitality to keep on their feet amidst the poison-gas launched on them by the banking hierarchy. Though they may not all have been worshippers of Elijah's God they all refused to bow the knee to Baal. This outcome suggests that we were right in our remarks above quoted by the *Labour Daily* where we suggested that the longer the election had been delayed the less would be the chances of eliminating the opposition to the bankers' policy.

As things are now the Australian Labour Party are in an excellent position. They are free from responsibility for what happens and also free to expose the meaning of the Federal Government's policy. We hope that the thoughtful elements not only in the Labour Party but among other parties will pay attention to the technical aspect of the credit-system as well as the political strategy of the credit-monopolists. Up to a point it is, of course, important to inform the public of the immense powers of coercion and deception residing in the private control of money, but precisely because the result of this is calculated to create a demand for a change of control it is doubly important that the technique of an alternative policy should be carefully thought out. Happily the appearance of the new Social Credit penny weekly, *The New Era*, will do a lot to influence the direction of the required study of credit technique. We are glad to hear privately that the estimated circulation of the last issue (No. 4) was 12,000. This number is equivalent to one copy for every 300 adults in the Commonwealth, or for every 150 heads of families; it is one-eightieth of the total votes cast at the election, or one fortieth of the votes cast against the present Federal Government. The Gospel parable of the grain of mustard seed is unfolding itself.

## The Birth of a Plan.

I am a collector of Plans, and I have in my files a fairly complete collection of the many and various Credit, Currency, and Monetary Reform Schemes, Plans and Projects. The number of them is becoming a little confusing, perhaps, but a classification of them is perfectly simple, since each and every one of them conforms to type. All are classifiable under the heading: *Producer Credit Schemes*.

Many of them are "Social Credit" reverted to type. Some of these I call "near Social Credit." This tendency to revert to type is quite astonishing, and I am sure there must be a psychological explanation as to why it happens. Personally, I am not interested in trying to find such an explanation, but I consider the fact of Social-Credit-reversion-to-type politically important. As a rule the process goes somewhat as follows:—

1. Mr. A. begins to dabble in economics.
2. He comes across Social Credit.
3. He "looks into it," but feels sure there must be a flaw in it somewhere.
4. He cannot find the "flaw," but hopes to do so . . .
5. He counts himself a "Social Credit-ite," and for a time preaches Social Credit.
6. It occurs to him that Social Credit is So Simple that, had there been anything really "in it," it would have been adopted (and, of course, adapted) long ago.
7. He feels that Social Credit is probably perfectly sound, but finds it is much too technical, much too complicated, and much too difficult. Many well-known bankers, financiers, and professional economists admit that they find Social Credit "quite unintelligible." If they cannot understand it, how can the great mass of people ever be expected to grasp it?
8. The snag, he finds, is the A + B Analysis and the Price Adjustment Formula. He cannot make his friends understand these things. (In fact, he is not quite sure in his own mind that he has really grasped them himself . . .)
9. He decides that "Douglas is altogether too abstruse and too technical ever to get across." Moreover, there are quite a number of Really Intelligent Men—"well, I mean to say, a man like G. D. H. Cole, for instance"—who have examined Douglas's ideas and found them to be "quite unsound and unworkable."
10. Mr. A. agrees, of course, absolutely with Douglas when he says that "the world crisis is a money crisis and not a goods crisis—that we are starving in the midst of plenty." Anyone can see that. It's so obvious.
11. But, somehow, the Douglas Solution to the problem seems to be "too much up in the air, if you understand. It seems to be just a "theory"—never comes down to practical details. ("I mean to say, now, take the case of my brother-in-law who's actually on the Stock Exchange and knows what he's talking about when it comes to . . . As he said to me on Thursday—no, Friday, I think it was—'What would happen regarding the discounting of Bills of Exchange under this Douglas Plan of yours?' I had to admit I didn't really know. I hadn't thought it out. But that's not convincing. And when I went along to High Holborn and asked Mr. Brenton about it, he said, 'Nothing would happen. Why should it?' Not a bit helpful.")
12. Having by this time read quite a number of books—Douglas, Kitson, Hattersley, Wakenshaw, H. M. M. Powell, Foster and Catchings, Young, Martin, and a long list of others—and having absorbed a mass of booklets, leaflets, pamphlets, and having attended lectures and debates and "study circles," and having joined several Leagues and Associations for Monetary Reform, Mr. A. comes to look upon himself as something of an expert, in his own way, on the "new economics." ("I mean, after all, I've given the subject very careful consideration, and I do claim to know something about it . . .")
13. He finds that his friends (if not his wife and immediate relations) look upon him as something of an authority on economics and "all this money business." It is rather a pleasing sensation. ("Oh, here's A.—let's ask him.")
14. He finds himself holding forth in the railway carriage, at the office, at the club—all over the place—and mind you, "being listened to." He has the jargon

the tip of his tongue—"No! no! purchasing-power, you mean, not credit." Yes, he has it all—the whole bag of tricks.

"But this is Douglas you're talking, isn't it?" asks someone. "The fellow who says we can all have money for nothing?"

"Oh, no, no. I'm not preaching Douglas," says Mr. A. "Mind you, Douglas is right when he says the problem is a Money Problem. Absolutely right. But his solution . . . well, I've been into it pretty carefully. I don't think anyone knows more about it than I do. I mean to say, I've read practically every book on the subject. I've heard Douglas lecture, and I've talked with the Douglas Crowd. But I'm a—fraid they haven't got it. They've lost themselves in a very complicated theory that depends upon something they call the 'time-lag' . . . Well, I won't go into that. But the fact is, however right it may be in Theory—and, mind you, it's really extraordinarily ingenious the way Douglas has worked it out—in Practice—hopeless—couldn't possibly work . . . And there's another thing I dislike about the Douglas People—they're too dogmatic, too cocksure about their own ideas. They can't see that other people may have ideas—perfectly sound ideas—to contribute to the solution of the economic problem. It's this intolerance of the other fellow who may happen to have thought out a workable Scheme of his own that is so silly—so childish! And it does their propaganda a lot of harm. Their idea is that Douglas has done it, and that no one else counts. Of course, that's absurd on the face of it. One knows that No One Man could possibly hope to solve the intricate problems connected with the vast interplay of the thousand and one factors that go to make up the economic life of our modern world . . . No, no, one can say in fairness to Douglas that he has made a very valuable contribution. He has called attention to certain facts . . . But, of course, other students are at work on the same problem, approaching it on different lines—from different angles. My own point of view, for instance, based upon my own reading of the facts . . . You're really interested? Splendid. Well, here's a match-box—that represents a factory. Say it makes boots. I put out six matches—they represent the wages of the boot operatives . . . And, obviously, all that is needed is to issue what I call Ticket-Money to enable the boot manufacturer to go ahead, to pay more wages, take on more men, and make more boots . . . Prices would, eventually, rise—and that is our safeguard against what I call Financial Inflation. Real Inflation, in the form of Real Wealth, would take place—more boots would be made—and then, gradually, we have what I call the Automatic or Natural Price-Level Check, which stops any serious Financial Inflation, because commodity prices automatically rise and cancel the new money issued. Thus, you Regulation. The prices of goods for sale find their own hordes of officials . . . and it could not fail to work because it depends, not upon any theory, but upon the Natural Price-Level . . ."

"Why don't you write down these ideas of yours, A.? It seems to me that a man who's got a workable scheme at a time like this . . ."

15. Mr. A. begins to write a pamphlet, but finds that it has become much too long for a pamphlet, and decides to expand it into a book.

16. He publishes "The Money Riddle Solved," sells 50 copies (and gives away 450).

17. A group of disciples begins to coagulate around Mr. A. This is a pleasing sensation. He begins to feel that he is the inspirer and leader of what may become a really important movement.

18. A "study circle" of A-ites is formed, and Mr. A. is asked to expound his theories further. One of the members of the "circle" suggests the formation of a League or Association—"to really get something done about it."

19. "The Natural Free-Credit Circulation Association" is formed, and Mr. A. is asked to become the President.

20. The N.F.-C.C.A. propagandists "The A. Scheme for Free-Credit Circulation."

21. The N.F.-C.C.A. explain in their first manifesto that there is room for everyone in the New Economic Free Social Credit Movement—Douglasites, A-ites, Mug-ites, and What-Nots—since "we all have something to contribute to the common store of economic study and research, and every sincere student should be welcomed."

22. The Editor of THE NEW AGE blows the gaff on "The A. Scheme for Free-Credit Circulation."

23. A few NEW AGE readers (all but "put under" by the kindly, open-hearted words of the all-in manifesto) feel that perhaps the "Notes of the Week" dealing with

"The A. Scheme" are "a little intolerant . . . just a little harsh . . ."

24. And now a Mr. B. begins to dabble in economics. (Much the same process, with variations, ending with "The B. Scheme." And so on . . . and so on.)

I am making a collection and examination of all such Schemes, Plans and Projects in order to assist my own Plan, which is:—

*By hook or by crook to put Douglas Social Credit into operation in this country.*

S. R.

## Phrenology and Politics.

By John Grimm.

When Mr. Bernard Baruch—war-time economic dictator of the United States—was testifying before a post-war Government Committee as to himself and his policy he stated that his practice in his early life had been to make a *study of men*. It is self-evident that such study is indispensable to anyone who—as was undoubtedly the case with Mr. Baruch—aspire to raise himself from the ranks of the led to the high-command of leadership. There are, of course, cases where the superior competence of a person to fulfil a certain function manifests itself to such a degree that his advancement is certain whether he aspires to it or not. He has greatness thrust upon him. He need not "study" those who do the thrusting; it is they who "study" him—or rather who intuitively recognise him for what he is.

But this was not the case with Mr. Baruch. In fact, according to the *Dearborn Independent* at the time spoken of, there was a wide-spread sentiment taking the form of: "How the devil did this fellow plant himself up there?" True he did the job more or less satisfactorily, but the point of the criticism was that there were many other men equally competent to do it so far as evidence went, and with a better title to it so far as precedent went. Why, it was asked, should a man with no political experience be jammed in at the head of the queue of politicians trained to do that particular kind of job? The ground of complaint was the same as would be that of the legal profession if the post of Attorney-General were suddenly allotted to someone like, say, Professor Soddy. That this gentleman might have sufficient knowledge of the law to do the job properly would be irrelevant—the complaint would be that as he wasn't a member of the legal profession he ought not to have been appointed.

The case of Mr. Baruch can be paralleled by many similar cases here. One need only mention that of Mr. Montagu Norman, who, it will be agreed, is many times removed from the type of person whom one would expect to see governing the machinery of national finance. As a musical conductor or executive he would look the part—but as a banker, no.

The explanation is easy. It is best expressed in another biographical item in Mr. Baruch's life, which runs as follows: "In the year . . . and went into business on his own account." That is to say, his official position was used to disguise what he was there to do. Similarly when he came to organise American war-production. If the result of the American aircraft-programme was typical of his abilities, he was either a most incompetent organiser or else a most competent disorganiser. It is still open to question whether the influences behind the U.S. Government desired to supply the Allies with aircraft. It is further suspected that Mr. Baruch's job

had less to do with the munitioning of Europe during the war than with the mortgaging of Europe after the war. There was no logical reason why he, as the organiser of war-production, should come to Europe to assist in the peace-settlement. It was a case of a financial manipulator getting a quasi-political post in America, to qualify for a diplomat's post at Versailles, whereby the Treaty could be made safe for American finance in particular, and international financial policy in general.

How do people like these get on in life? Excluding those backed from the start by external personal influence, and those whose advancement in any career is virtually predetermined by their natural superiority over others in respect of the technical knowledge appropriate to that career, there remain a large number—even a large majority—of "successful" persons who appear to belong to the category of those whose condition is described by the line of the well-known hymn: "Not more than others I deserve, yet Thou has't given me more"; and who could say of those whom they have left behind in the race: "There, but for the grace of God, go I." The principle of differentiation here, of course, has nothing of the divine about it. It consists more than anything in the fact that these people, like Mr. Baruch, make a study of men in addition to the study of the technique of any particular function. Nowhere is this more easily verifiable than in the field of politics—and it is with this aspect of life that the present argument is concerned. It is hardly less verifiable in economic life. For the increasing mechanisation of the age is producing a situation in which almost anybody can do anybody's job—the job being something in the nature of pressing a button to start some machine working, and another to stop it. Very well then, out of a multitude of would-be button-pressers he who would get the job must acquire qualifications other than competence in button-pressing—a competence, *ex hypothesi*, common to all of them. He must acquire the art of wire-pulling. He must "make a study of men."

What men did Mr. Baruch probably study? Two categories: those about him and those above him. It would not be the study of mass-psychology, but individual-psychology, which would better serve his purpose. He would watch the behaviour of men individually with the view of selecting those whose strengths and weaknesses he could exploit for his purposes. This would be comparatively easy in regard to those with whom he came into personal and intimate contact—those whose speech and manners he could continuously observe. But it would be difficult in regard to those above him, of whom all that he could know would be what he could make out of an occasional look at them. Now there are such people as natural students of character, who appear to have a sixth sense which enables them to divine the potentialities of anyone's behaviour. They do not need to hear him say anything, or see him do anything. They have a knack of "sizing him up" by looking at him. People who possess this quality would be popularly regarded as natural physiognomists—as those who could read character in the face without any conscious intellectual effort. This quality is not unique in kind, but only in degree. An ordinary jury is often told during a summing-up by a judge to recall the "demeanour" of such and such a witness when testifying, and is invited to infer therefrom whether that witness's testimony was credible or not. Now the component parts of this "demeanour" are all of them mechanical and more or less measurable, e.g., the witness may have hesitated, stuttered, turned colour, grasped the rail of the box, staggered, fainted, and things of that sort. Obviously the judge holds these to be dependable clues to the psychological condition of the witness, and clues which he expects the members of the

jury severally to interpret in a single direction. They are thus expected to do *rationally* much the same thing as the above-hypotheticated physiognomists appear to do unconsciously. The difference is simply that of the comparative speed and completeness with which results are achieved by reason and intuition respectively. The point of this analysis is practical. It can be explained by an analogy. There are some people who can tell the answer to an intricate mathematical problem by inspection. But the fact that they can do it this way does not prevent other people working the problem out step by step. Nor is there any reason why, because certain types of people are able to solve problems of "character" by inspection that other types cannot work them out. The application of this lies in the realm of practical politics. If the study of men enables certain persons to raise themselves above the mass of men, and if those persons proceed, from that point of vantage, to exploit those whom they left behind for anti-social purposes, then it becomes the duty of everybody, in his own interests, to undertake the same study to the best of his ability. The foundation for that study is the science called phrenology. The principles of that science are based on innumerable individual observations by its founder and his followers, and they can be apprehended and tested by any person of ordinary intelligence. As to their application, while the closest and most detailed readings of character require the student to have certain faculties well developed, anybody—beginning with an elementary school-child—can be taught how to make rough estimates of character.

Whatever knowledge is useful to the authorities is useful to those who are subject to them. If it is a weapon of Finance it is a potential weapon against Finance. This is not intended as an argument for all supporters of Social Credit to study phrenology, but for those of them to do so who incline towards researches in psychology. If certain employers habitually consult the phrenologist when choosing between applicants for jobs (which is a fact) the same method should serve to decide what person should function for any given purpose in, let us say, a Social Credit organisation, when doubts arose. There was a deadlock in opinion on other grounds. There is no quicker or more reliable way of avoiding the snag of putting the square peg in the round hole. It is not simply a question of technical competence but also of good faith, dependability, continuity of purpose, which the phrenologist can read from the human head. And there is not the slightest doubt that if the members of the I.L.P. and Labour Party had made use of this check on their proposed appointments years ago some of the notabilities that they have put into power would have remained where they belonged. They were bemused by eloquence, probably the most delectable clue to the man behind the speech. And eloquence is the stock in trade of politicians generally.

The following passage appeared nearly two years ago in the "Londoner's Diary" in the *Evening Standard* (November 8, 1930):—

The science of phrenology has not, it is to be regretted, made much progress in recent years, and has in fact been discredited by such researches as have recently been made. For indeed, apart from the bumps question, it is amazing how little is known about the structure of the human brain.

I had always imagined, for instance, that a man of genius and learning possessed a heavier brain than the average human. Not in the least. When they weighed the brain of Anatole France they found it eighty grammes below normal.

I had also imagined that it was a sign of idiocy or infantism if the summit of the skull failed to "close up" after the first year of birth. Again I was wrong. For Inaudi, the lightning calculator, has, it appears, a skull which is still open at the top.

## The Ultimate Ownership of Property.

(1) When the late Dr. Walter Leaf, in denial of the statement that "banks create credit," declared that it was the borrowers who created it, he committed himself to the generalisation that *all credits in circulation are debts to the banks.*

(2) Up to the present time the banks have never issued credits except as loans.

(3) These loans ultimately rest on the security of the physical property made by the community. (By physical property it is intended to include all goods and services together with the organisation and other means of making or performing them.)

(4) Although in practice the security deposited by borrowers is a paper document, the document represents physical property—or it would not be a security.

(5) It is true that the banker is not primarily concerned with the physical banking of the loan and security. He does not contemplate receiving repayment in the form of physical property, but in the form in which he makes the loan, i.e., financial credit.

(6) Nevertheless the possibility of his getting the financial credit back from the borrower depends on the borrower's (who of course has disbursed it on borrowing it) getting it back out of the community; and the borrower can only do that by selling them physical property.

(7) But (by par. 1) the financial credit paid to the borrower for that physical property is credit owing to the bank in other quarters, and this credit (by par. 4) is based on the security of other forms of physical property in other quarters.

(8) Comprehensively, then, all credit in circulation represents the banks' potential ownership of all physical property in existence.

(9) The credits spent in the past on making physical property now existing amounts to many times the amount of credit now circulating.

(10) The price at which it can be sold cannot exceed the total amount of credit in circulation. (Property can't "fetch" more money than exists to be fetched.)

(11) The total realisable value of all property is ultimately the same figure as total outstanding bank-loans at any given time.

(12) Bank-loans create the price-value of property. Repayments of bank-loans destroy such value.

(13) The collective property of a community who owe nothing to the banks has no money-value; for the community have no money.

(14) In a monetary economy property with no monetary value has no effective use-value. No money, no production, no consumption.

(15) The ownership of property lies in the effective control of its use; not in the legal title to use it.

(16) The ultimate owners of all property, whether pledged for loans or not, are the bankers.

A. B.

## SOCIAL CREDIT IN WESTERN AUSTRALIA.

The issue of *Dawn* (published by the Women's Service Guilds, National House, William Street, Perth, Western Australia) for June 15 last contains a three-quarter-page report of an important meeting at Perth Town Hall on May 20 to hear addresses on the Douglas Credit Proposals by Mr. E. K. Greville, and Mr. R. J. C. Butler. Professor Murdoch was in the chair, and the attendance was over 800, it being estimated that over 200 were turned away owing to lack of accommodation. Further lectures were given on May 31 and June 14, and other lectures were to follow.

Quite recently not only has the *Evening News* published an article disparaging phrenology, but the B.B.C. has permitted a talk of the same tenour to be given. Apparently nothing happened in 1930, nor has happened in the last month or two, to account for this long-neglected subject's suddenly qualifying for topical treatment; so one is left wondering what the idea is.\* No doubt there is no specific motive or objective; and the occurrence may simply reflect the philosophy of the ruling authorities, which is inimical to empirical and inductive processes of research and reasoning—processes which characterise phrenology and Social Credit alike.

The last time an extended reference to phrenology appeared in this journal it was a review by myself of Miss Amy B. Barnard's *Mind and Brain*. (THE NEW AGE, December 19, 1929.) It is curious that just at this time when the above attempts to discredit the science are taking place here it is apparently being accredited abroad. In a book called *La Physiognomie*, by two Belgian authorities, Miss Barnard's work is highly praised by them, and they have included her portrait in a film which they use for expository purposes in their lectures to professors in Belgium. Further she has been approached from another direction for right of translation into French. It is really the coincidence of these events which inspires the present article. One wonders what can be the reason why, although a long list of famous people can be cited who have consulted phrenologists the subject should be treated flippantly before the public. Perhaps even more striking is its absence from detective fiction—as those readers will agree who realise how plainly certain personal predispositions are manifested in cranial contours, and what a scope for ingenious solutions of crime-problems the employment of this subject would afford. It is hardly conceivable that in the detective service where the observation of a suspect's behaviour is essential, objections of his potential behaviour should be neglected. There have been plenty of cases where an innocent person has acted guiltily, and that is an additional reason why the first kind of observation should be checked by the other. No doubt it is, in the sense that the "born detective" is an intuitive head-reader who arrives at results without logical reasoning and without being aware that there exists a scientific basis for such.

It has often been remarked by observers that where as in an assembly of keen Socialists or Communists they can recognise a pronounced collective physiognomical conformity to type, the phenomenon is entirely absent from an assembly of keen Social-Credit students and advocates. Undoubtedly there is conformity, but of too subtle a nature to be read from the shapes and expressions of faces. Physiognomy is allied to phrenology; and both are allied to physiology and anatomy. Thus, the acute phrenologist can infer a type of face from a type of head, and *vice versa*—though not a particular likeness from a particular head or *vice versa*. I have noticed during the last few years which have marked the development of the pictorial pages in the Press, that particularly every public personage in whom I take a particular interest is shown in the best possible positions for face readings—which means the most elusive natural explanation, namely that the front-on or quarter-profile is the conventional and approved fashion. But it does not reveal a fraction of what I want to know about these people—and ought to know, considering that they are in control of national policy.

\* Since writing the above it comes to mind that some months ago I was told that Mrs. Stackpool Odell had contributed an article on (and advocating) phrenology in one of the London evening papers.

## The Films.

### Three Good American Pictures.

If America has not, to my knowledge, given us a great film this year, it has given us a number of unusually good pictures. The films I have in mind have all a certain vitality, are admirably edited, directed, and acted, and extremely well cast, especially in the minor parts. And they have another quality that is so conspicuously lacking in almost every English film; they not only deal with real men and women who live full-blooded lives, but they take their characters from the mass of the people—wagon drivers, policemen, detectives, shop girls, taxi men, speakeasy proprietors, prostitutes, and men and women who take to crime not so much owing to innate tendencies but because of social maladjustment.

An extremely good film of this type is "Two Seconds," recently shown at the Empire, which I commend my readers to see on its general release. This is superb melodrama, with the principal roles magnificently played by Edward Robinson and Vivienne Osborne. Its story is that of the rough workman who is seduced into marrying a girl whose inevitable destiny is that of the kept woman. He kills her, and being poor, friendless, and without political influence, the majesty of the American law is visited on him. The first and last scenes are laid in the death chamber; in between come those "two seconds" in which the man whose brain just survives his body in the electric chair relives the events that sent him to death.

This picture grips from the very beginning, and has good dialogue. It has one defect; there are a number of sequences in which only two characters appear, and these are too long, with the result that at times the film tends to become photo-play. But this is only a minor blemish; "Two Seconds" is decidedly among the outstanding films of the year.

Until to-day (Thursday) you will still have the opportunity of seeing a worthy successor at the Empire. This is "Justice for Sale," shown in the United States under the title of "Night Court," and directed by W. S. Van Dyke, who made "White Shadows in the South Seas." (Incidentally, Mr. Van Dyke would seem to be one of Hollywood's safety bets; he apparently cannot go wrong with a picture, whatever the theme.) Most film critics must have imagined that the screen had long ago taught them all there was to know of the incredible corruption of the American judiciary and the way in which the forces of law and order are debased to serve not the community, but the most revolting type of criminal. But "Justice for Sale" unmasks just a little more than Hollywood has yet shown us; some of it is almost unbearable. Among the excellent cast—which also includes Walter Huston—I would particularly mention two young people—Phillips Holmes and Anita Page; very adroit direction has transformed Miss Page from a pretty little "dancing daughter" into an actress. The dialogue in this film is also excellent, but to enjoy its cynical crispness to the full you need a fairly wide knowledge of the American language.

There is also still time to see the pre-release of "The Mouthpiece" (not to be confused with Edgar Wallace's not too good play) at the Regal. This film, like "Two Seconds," takes us in the beginning into the death chamber, where an innocent man is being executed. A few minutes before the sentence is to be carried out, the real murderer is found, but it is impossible to get a telephone call through to the prison in time—"It's too late, I can hear the humming of the juke," says the District Attorney at the other end of the wire. Prosecuting counsel swears he will never again conduct a prosecution,

and becomes so celebrated for his record of acquittals, that he soon finds it extremely profitable to specialise in the defence of crooks with money and influence. The manner of his reformation I leave you to see. This picture is magnificently fast moving in parts, and is admirably directed and edited. It also has a slight defect; Warren William, as the Mouthpiece, is just a shade too suave and sophisticated, and too much the professional lady-killer. Sidney Fox is charming as the ingenue, and her delineation of the role is just right. But the picture is stolen by Aline MacMahon. I have never seen Miss MacMahon before, but if her Miss Hickey can be accepted as a sample of the work she will do in future, the screen has gained a great actress, who excels in those touches of subtlety that mark the boundary between talent and something very much more. The dialogue of "The Mouthpiece" is also crisp and cynical, and shot through with much humour. James Flood and Elliott Nugent directed, and a very sound job they have made of it.

### Postscript.

My notoriously bad handwriting made me appear to say last week that "Arms and the Man" had the genus of a better film than Elstree has made of it. For "genus," kindly substitute "germ."

DAVID OCKHAM.

## Two Stories.

### I.

A Newcastle fellow here was telling me about a big Newcastle firm (all names are available) which had an overdraft of £200,000, and the branch manager of the bank called on the boss and asked him to repay it on London's request within a month. Boss replied, "Don't ask me to do that."

Bank Branch Manager: "I have to, the head office says so."

Boss: "All right, I'll do it; but if I do it will smash this branch of the bank."

Manager: "How?"

Boss: "Here's a list of twenty of my main debtors. They all bank at your branch. I can call your money I will be collecting."

Manager: "Well, I can't help it."

So the Boss called in all his debts, put in the firms went bankrupt. The Bank Manager called on him and said, "For God's sake, man, stop!"

But the Boss said, "I have now repaid my overdraft and opened an account with a new bank."

£200,000 I had from you, you can loop a string through the corner and hang it up somewhere."

Then he walked round telling everybody about it.

### II.

Conversation between me and Billy.

Me: "I believe at one time when the bank rate was low it was possible to borrow money from the bank, paying them 3½ per cent. and obtain 5 per cent. by buying War Loan with it. This went either until the price of War Loan got too high, or until the banks tumbled to it."

Billy: "By God I wish I had thought of that. I should have been a millionaire by now."

Me: "The only snag would be, how would you get the banks to advance the money to pay for the War Loan? What would you use as security?"

Billy: "Can't you see? The security would be the War Loan that you were going to buy!"

## Obituary.

The following report appeared in *The Star* of August 11, 1932:—

"Mr. Walter Castles Runciman, a cousin of Mr. Walter Runciman, M.P., President of the Board of Trade, and a well-known technical journalist, collapsed in the Haymarket while boarding a bus on his way to his office to-day, and died in an ambulance on the way to Charing Cross Hospital.

"Mr. Runciman, who was about fifty-three years of age, had been on the staff of the 'Model Engineer' for twenty-five years, for the last ten years as assistant editor, and was well known in the model and experimental engineering field.

"For some time he had suffered from heart trouble, and it is thought that his death was hastened by the heat.

"Mr. Runciman, who lived at Upper Halliford, Sunbury-on-Thames, served on the technical staff at Woolwich Arsenal during the war. He leaves a widow and a son."

Mr. W. C. Runciman was a regular reader of THE NEW AGE, and was a familiar figure at 70, High Holborn, calling frequently either to renew his subscription or to get some Social Credit literature. Not only was he an industrious and enthusiastic supporter of the Social Credit policy, but at least on one occasion gave it a recommendation in the pages of his journal, *The Model Engineer*. It is with a sense of personal loss that we receive the news of his death.

It can have been only a fortnight ago when he rang up to say: "I am afraid I shall have to miss my call on you, and send my subscription by post. I am under the doctor's orders, and must not climb your thirty-nine stairs."

We extend our condolences to his widow and son, and ask them to believe us when we say, on behalf of our readers and ourselves, that we know how to appreciate the value of his work, and deplore its cessation as a public loss. There is a Roll of Honour yet to be written; and let them be sure that the name of Walter Castles Runciman will stand high in it as one who made a perceptible contribution towards the establishment of the New Civilisation.

## "Who's Game?"

Sir,—I must plead guilty to "The Game" in *The Times* of August 4 and in your issue of August 11.

My reasons were:—

1. To see if *The Times* would accept the advertisement.

2. Many potential converts to Social Credit say "Yes. That seems all right, but I know someone who has met a man who can disprove it in ten minutes."

I wished to meet this man, or at any rate to reply in future, "But I have advertised for anyone who can disprove it, and got no reply." (Note the demand for study and relevance.)

3. To know if any relevant criticism existed.

So far I have had five replies from firm believers, and one which suggests that I should take my life!

If this experience is of any interest to readers of THE NEW AGE I would be very glad for them to see this letter.

I consider it an excellent debating point that I have received no criticism of Douglas of any kind.

M. W. GORDON-CUMMING.

## 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.

## News Notes.

*The Labour Daily* (Sydney), on June 4, published a review of a pamphlet issued by Mr. Justice Piddington which elaborated the arguments contained in his letter of resignation to Sir Philip Game (see THE NEW AGE of July 21). Unfortunately, the pages of the paper sent to us did not contain the review, but only an editorial reference to it. We are able to quote one passage from it as reproduced in the leading article:—

"The present state of things is not a constitutional election, but a *coup d'état*, in which the legitimate Parliament has been effaced. The effect of this has been to harry the electors into ignoring the violation of the constitution."

He adds that Sir Philip Game dissolved the Parliament of the State without the knowledge of the King beforehand.

\* \* \*

According to *The Labour Daily* of June 7, the police authorities had collected evidence upon which they felt able to prosecute certain people connected with the New Guard on a charge of subversive action against the then Government. That paper alleges that when the new administration which deposed Mr. Lang's Government assumed office they squashed the proceedings.

This should be borne in mind in connection with a report from the Melbourne correspondent of the *Scotsman* of July 26. This report, which is dated June 18, is full of information about what the writer calls the "cleaning-up process" in New South Wales. This process is one of digging out all manner of alleged evidences of personal corruption against Lang and other ministers in his administration. The lesson of this is the old one, viz., that given any dirty work the bankers can contrive its exposure or its concealment according to how their book is made.

## LETTERS TO THE EDITOR.

### "ORGIES" AT GENEVA.

Sir,—Your further remarks concerning Geneva, and your not very veiled suggestions as to the gullibility of this Association are no doubt flattering to the innocence, plus ignorance, of myself and my colleagues, but I fear they are no more accurate in that respect than were your previous remarks as to the "laws regulating morals in Switzerland" not being true of Geneva. Do you really imagine that this Association relies for its information on official sources? During the last fifty years this Association has had, over and over again, to challenge the official apologists. Official bluebooks and official reports are always regarded by us with extreme scepticism; even at best one would not expect to find in them "the whole truth." But neither must it be assumed without question that your sources of "private information" are reliable, nor that the scandalous stories of French journalists catering for the people who like spicy gossip about "Les Bazar de la Volupté," are always authentic. The Editor of THE NEW AGE rebukes me gently for believing "official bluebooks" (though I never mentioned them), but he apparently believes everything non-official which "blue" books tell him, if only it sounds wicked enough. My general experience of the outpourings of journalists on such subjects is that they are utterly unreliable and are mere scandalous gossip-mongers trying to serve up stale and ugly vices as something exciting.

What strikes me as curious is the suggestion that Geneva is, in some sinister way, different morally from other large cosmopolitan cities. Of course, there are illicit possibilities in Geneva, as there are in Lausanne, London, Liverpool, and most other places. Even if the laws of Geneva were most strictly enforced the French frontier is only a few minutes' run on a tram or a car, and over that line licensed *maisons tolérées* are officially recognised. But why make such play with the fact that although brothels are, since 1925, illegal in Geneva, some may still be carried on. Is not the same true of London? In Paris itself the most fashionably patronised houses of debauchery are probably not on the official list of "licensed premises." Vicious men will always find what they seek, including women of like character than some of their customers, who need the money. I do not "suggest" anything about the business of these men; they gather together at the various conferences; some may be delegates, but probably most are hanging on the fringes of the conferences for various reasons of their own. My points are simply: (a) That Geneva is not a city of *maisons tolérées*, nor does it in this respect "enjoy all the luxury privileges of Paris"; and

(b) that for the life of me I cannot see what the habits of certain men have, in this instance, to do with high finance or high politics, nor do I believe that the Swiss law, in particular, winks at the existence of brothels in Geneva, except in the sense that all legislation everywhere is frequently evaded or avoided, and police are not always incorruptible.

One further point. I wonder of what year Willy and Pol Prille are writing in referring to Geneva's houses? The licensed brothels in Geneva before 1925 were "hidden away in nooks and corners" and in narrow, dark passages in old parts of the city, where the red lamp of the house looked sinister enough to satisfy any journalist's fancy.—Yours faithfully.

ALISON NEILANS,  
Secretary, The Association for Moral

[(1) This correspondence seems to us to be a matter of cross-purposes on points of emphasis. Nothing of importance from our point of view depended upon whether brothels were licensed or not. Hence our use of language which could bear the interpretation that they were licensed. We can see that to Miss Neilans and her Association the distinction is important; and for that reason regret the ambiguity. (2) We quoted the two French journalists because the passages we printed were a convenient epitome of relevant facts or allegations—however one likes to regard them—which are confirmatory of information otherwise given to us. We are sorry not to be able to authenticate such information in public. As to the credibility of these writers, they are both reputable journalists; and our information is that books of this type—i.e., "documents" as distinct from novels or romances—are considered reliable when such journalists put their names to them. The element of "spice" attraction has not anything like the selling-value in France that it has in England—moreover, the spice-demand is fully supplied by French fiction. (3) Generally, we take it that Miss Neilans is not concerned to dispute the fact that Geneva is a "gay city." If so, we are not concerned to argue about such things as the legality of what takes place or of the corruptibility or otherwise of the police. (4) Basle stands in the same relation to Geneva as the City does to Westminster. High Finance—High Talk—High Life. All three dovetail into each other and into the structure of financial government.—Ed.]

### A Personal Reaction to Social Credit.

[A correspondent has received and sends us the following private critique of Social Credit, but asks us to treat the sender's identity as confidential information.—Ed.]

I have not published anything about money, it lies a disconnected heap on my desk. If I ever do get into print I will certainly send you a copy. It's too bad, I have been an enthusiastic critic of the present monetary system all my life and now find myself pushed into the position of appearing as its defender because I feel so passionately the danger of errors in alternative proposals. Here we have an opportunity never before vouchsafed to us for a drastic change and all our most enthusiastic monetary reformers threaten to land us in a soup that is so thick that there will be no recovery from a mistake. There is no justification whatever for making monetary reform the basis for what is not the function of money at all, namely, the redistribution of income. If you want to reform money there are four lines only, its quality, quantity, direction and price. All these should be and must be controlled. But the Douglas scheme challenges the first of these. It proposes to issue notes absolutely disconnected with wealth of any sort or kind, it makes no proposition of any sort for the redemption of the cash. If money is anything it is a token for wealth issued by a form of pawnbroking, and returnable to the issuers when it has fulfilled its function as a means of exchange. Nothing is easier in a country where everything belongs to the State, as in Russia, than to make the amount of money correspond to the amount of wealth, but in a capitalist country like ours where everything belongs to someone, even the future production of wealth being earmarked, it is impossible to increase any person's income without a transfer from the present owner.

In Russia, by design, money was destroyed as the swiftest and surest way to bring down the capitalist system in complete ruin. If that is the intention I have nothing more to say, but that is not avowed. In Germany bad money was issued, debasement, and you know what happened, that must be the end of irredeemable paper. As much transfer of wealth as you please, as great a quantity of money as possible, prevention of the use of new money for speculation,

and finally the issue of money at cost price as is done with all municipal undertakings, but bad money, No. Douglas proposes to recoup sellers below cost price with printed notes. Where is the mechanism in his scheme for their final recall and destruction? They are left in the air. Read his evidence before the Macmillan Committee for an exhibition of absolute futility.

### Events of the Week.

(Compiled by M. A. Phillips.)

- August 6.  
De Valera gets £2,000,000 and free hand to fight economic war against Great Britain.  
Alleged plot to assassinate J. H. Thomas in Canada discovered.  
Socialist Government's Hop Marketing Scheme adopted.  
Holland and Lithuania join European entente.  
Nazi-Communist clashes in Germany increasing.
- August 8.  
Canadian plan turned down by Great Britain at Ottawa.  
Belgian coal strike resumed.  
Bomb attempt at Rennes during Herriot's visit there.  
C. T. Cramp wants 36-hour week.
- August 9.  
Wall Street boom continues whilst £ continues to fall.  
Unemployment (G.B.) 2,811,782 (+ 64,000 in one month).  
Beer tax yield reduced considerably.
- August 10.  
Berlin—death penalty decree for political murders; position very strained.  
Irish farmers cannot repay bank loans in September.  
Franco-Russian oil agreement signed.  
The price of patriotism!  
Assented War Loan 97½.  
Unassented War Loan 101½.  
General decline in all British gilt edged securities.  
Conversion scheme—£1,500,000,000 only converted to date (unofficial City estimate).  
Lytton Commission finds Japan guilty in Manchurian affair.
- August 11.  
Ottawa—impasse.  
Revenue to date £190,000,000.  
Expenditure to date £282,000,000.  
Compare 1931 to similar period:—  
Revenue, £193,000,000.  
Expenditure, £284,000,000.  
General decline in all sources of revenue except customs (due to tariffs).  
Big Budget deficit expected (*Daily Herald*).  
Resignation of Sir Guy Granet from Board of Bankers Industrial Development Co., Ltd.  
Royalist revolt in Spain.  
Guinness and other breweries reduced profits for current year. (Guinness by £740,000.)  
£ rising slightly.

### Reviews.

**The Map of England.** By Colonel Sir Charles Close, K.B.E., D.Sc., etc. (Peter Davies. 6s. net.)  
Written by a former Director-General of the Ordnance Survey, this book contains much information that will be new to most of its readers. It begins with an historical sketch of the development of the map of England from the time of the Romans till the present day, and of the work of the Survey. There are also some illuminating notes as to the manner in which the mapping of England was hindered by financial difficulties. The section on reading goes more into detail than the usual information on the subject, and is accompanied by the results of the Geological Survey and the history of its labours. The rest of the book is devoted to the history of England as shown on the map; its place-names, its historic archaeology, and the traces still remaining of Saxon, Elizabethan, and seventeenth-century England. I. O. B.

### SOCIAL CREDIT AND THE PRESS.

The August issue of *The Millgate* (published by the National Co-operative Publishing Society, Ltd., 22, Long Millgate, Manchester, 6d.) contains a biographical article entitled "Major C. H. Douglas—Advocate of Social Credit" by H. Norman Smith. A portrait of Major Douglas forms the frontispiece of the number.

### BACK NUMBERS OF "THE NEW AGE."

If any readers care to post out occasionally back numbers of *The New Age* to Mr. Arthur Henderson, Hon. Secretary of the Crows Nest Branch of the Douglas Social Credit Association, he will be very grateful to have them, and will make good use of them. His address is: 118, Wiltough Road, Crows Nest, New South Wales, Australia.

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### Social Credit Press Directory.

*The British Crusader*; published by G. Hickling, 54, Poole road, Coventry (1d. monthly).  
*Crisis*; published by the Legion of Unemployed, 38, Cliff-view Road, Lewisham, London, S.E.13 (1d. weekly).  
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*The New English Weekly*; published at 38, Cursitor Street, London, E.C.4 (6d.).  
*This Prosperity*; edited by Robert J. Scrutton, published at St. Peter's Vicarage, Coventry (2d. monthly).  
*The New Era*. "Advocating the Douglas Social Credit Proposals Throughout Australasia." Hon. Editor, Mr. C. Barclay Smith. Published at Adyar House, 27, Bligh Street, Sydney, N.S.W., Australia (1d. weekly).

## Social Credit Reading Course

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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.

### SUBSCRIPTION RATES.

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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.