

# THE NEW AGE

INCORPORATING "CREDIT POWER."

A WEEKLY REVIEW OF POLITICS, LITERATURE AND ART

No. 2096] NEW SERIES Vol. LII. No. 2. THURSDAY, NOVEMBER 10, 1932. [Registered at the G.P.O. as a Newspaper.] SEVENPENCE

## CONTENTS.

	PAGE		PAGE
NOTES OF THE WEEK . . . . .	13	THE POLICE AND THE GOVERNMENT. By John Hargrave . . . . .	20
The conflict between financial and ethical criteria of values.		NEW ZEALAND AFFAIRS (Editorial) . . . . .	21
OBITER SCRIPTA. By Hilderic Cousens . . . . .	15	Reference to speeches by thirteen members of the N.Z. Parliament against private control of credit. The "Jepson" tragedy—husband does his bit towards balancing the Budget by killing his wife and two sons.	
LORD MELCHETT ON MONEY (Editorial) . . . . .	15	THEATRE NOTES. By Richard Carroll . . . . .	22
<i>Modern Money</i> (Melchett).		<i>The Bear Dances</i> . Philomel.	
AUSTRALIAN AFFAIRS (Editorial) . . . . .	17	REVIEW . . . . .	23
Mr. A. C. Willis on the futility of putting parties into office under the bankers.		<i>Character and Personality</i> . (Allen and Unwin; Quarterly.)	
THE FILMS. By David Ockham . . . . .	17	CORRESPONDENCE . . . . .	23
<i>Payment Deferred</i> .		Ian A. Ross (Green Shirt Movement—Kibbo Kift).	
EDUCATION: CIRCULAR 1421. By F. B. . . . .	18		
COPLAND AND SOCIAL CREDIT. IV. By Dighton W. Burbidge, LL.B. . . . .	18		

## NOTES OF THE WEEK.

New supporters of the Douglas Theorem are usually anxious to get to work as propagandists, but hesitate to do so until they feel competent to elucidate its technicalities. That need not hinder them. They can concentrate on evoking sympathy and inspiring confidence, with the object of recruiting students. This object is attainable by people with no knowledge of economics. "I do not consider Major Douglas an economist," said one writer on economics on a certain occasion, thinking that he was thereby belittling Major Douglas. In so saying he spoke wisdom by accident. It is broadly true to state that Major Douglas has come into the world to abolish economics. Even supposing that all previous statements of economic "facts" were true, no more than a vanishing fraction of them are relevant; and that fraction which *is* relevant will be found incorporated in Major Douglas's own expositions. The only text-books necessary for the student are Major Douglas's, and others written round them. And the best qualification for approaching the subject is plain commonsense based on personal observations and experiences.

Several speakers at the Church Synod at Perth (W.A.), referred to last week, while emphasising the necessity for churchmen to interest themselves in the economic problem, said that it was not the function of the Church to sponsor any particular remedy for it, yet that it was her duty to submit the principles of remedies to the test of Christian conscience. This was saying that the common values of Churchmen, i.e., the Christian criterion of values, must be fully satisfied by any given-economic policy before the Christian community accept it. The bankers regard this as subversive doctrine. They hold that the laws of the financial system, as discovered and administered by themselves, are unalterable, and that all criteria of values—Christian and humanitarian—must be brought into consonance therewith. Any consequence of their policy which offends the Christian and humanistic conscience should be regarded, not as a wrong to be put right, but—to quote the celebrated phrase applied

by an English Bishop to the war against the Boers for possession of the gold mines—as a "regrettable necessity." Fix your mind on the "necessity," and, in time, you will realise that what you now regret is spiritually valuable. Lord Snowden, the "bankers' minister," finely confirmed the truth of this when he pointed out that the sufferings of the poor were sanctified by the heroism with which they bore them. The attitude which the banker enjoins Christians and humanitarians to adopt respecting his apparent callousness is aptly summed up by Cowper's famous lines:

Behind a frowning providence  
He hides a smiling face.

That is to say, the banker is creating mass-heroism which, by inspiring "confidence" among those who admire it, will restore prosperity to the country. First that which is spiritual, then that which is natural. Renounce—and ye shall receive. Don't look—and ye shall find. Don't knock—and it shall be opened to you. Three don'ts: Don't complain; Don't study; Don't be violent.

These last sentences serve as illustrations—which any student of the Gospels can extend indefinitely—of the diametrical opposition between financial and Christian criteria of human values. We could make this wider, and say that the implications of financial doctrine affront human conscience; but for the moment we want to confine ourselves to the conflict between the banker's science and the Christian religion. Now, in this frame of reference the question of whether Major Douglas's analysis is "sound" or not in a technical sense is premature. Before it can become relevant there must be made a comparison and choice between Major Douglas's objective and that of the bankers. The task is made difficult because the latter are shy of explaining their objective, and because insofar as they indicate and defend it, they do so in terms which are unrelated to Major Douglas's. Churchmen, not being in their confidence, have to draw conclusions from available collateral evidence. Briefly and comprehensively that evidence amounts to this:—that in every quarter of the globe there is on the one hand a visible col-

lective surplus of goods and on the other an equally visible population each of whom would like to have more, and a majority of whom are in absolute need of more. These are objective facts. Another fact, so easily demonstrable as to be virtually objective, is that the world possesses the means of multiplying that surplus two or three times. Now the Churchman is entitled, as well as competent, to put the following question to the bankers, and to form a judgment on the answer. The question is: Do the facts of the present situation represent and fulfil the objective you have had in view? If they answer: "Yes," then every Churchman can make up his mind whether it is desirable for people to co-operate in economic activities on that basis. If they answer: "No," then there arises a strong presumption that their methods have been unsound in a technical sense. It would not follow, of course, that because their technique was unsound Major Douglas's technique was sound; but it would be plain that any sound technique must be something different from theirs, and, considering the ludicrous nature and universal dimensions of the revealed miscalculation, that the difference must be fundamental.

The bankers would try to escape the dilemma by contending that they were defeated, not because of their technique, but because of the "human factor"—that it was the case of a flawless financial mechanism put out of action by the moral perversity of people. But here again the Churchman is entitled to point out that this so-called perversity—this touch of the "Old Adam" in human kind—has existed since the days of Adam, and that therefore bankers have shown themselves incompetent by designing a mechanism in complete disregard of its existence. How gross the incompetence is manifest when one considers the bankers' unchallenged command over the world's intelligence-services (Seeing what baby's doing!) and the world's forces of law and order (Stopping it!). Who are they, then, to pronounce judgment on the practicability of Major Douglas's proposals? There is an answer possible to them if they like to make it. It is that their primary objective has been to regulate human conduct through their rules regulating production and consumption. This of course would be to admit that they had used their secular prerogatives to usurp the functions of the spiritual authority—the Church; and the Churchman would be entitled, at the very least, to say: "If this is to continue I must make sure that your criterion of spiritual values coincides with mine."

Sufficient has now been said to show how wide a scope of activity is open to the least instructed supporter of Major Douglas, and even to show how much more important, as well as easy, it is to discredit in advance the arguments of banking experts on the technicalities of their own or of Major Douglas's systems. We have up to now confined our examples of the method of reasoning to the region of Christian thought. Before we pass on let us add one further observation. In an appeal to earnest, believing Christians, emphasis should be laid on the fact (which, we are glad to see, several speakers recognised at the Synod before mentioned) that certain alternatives to present financial methods (the allusion was doubtless to Social Credit) were "more consonant with Christian conscience." That being so, the Christian should have faith that, the end sought being in accordance with the Divine Will, the means employed will lead to that end. Intellectual doubts about the possibility of defects in the technical means now being debated have no place here. If God wills the end He will perfect the means. It is a matter for Christian prayer. And if anybody should scoff and say that God does not work miracles, our

reply would be to ask why, in that case, the Church persists in praying for wisdom to be conferred on our legislators.

And now, to leave this aspect of the subject, any person of common sense will agree that the economic problem, in its physical aspect, needs no miracle to solve it. The real miracle lies in the fact that the problem still awaits solution. Just imagine your coming across a group of thirsty men standing disconsolate beside a bubbling brook. That is how the world looks to us. Everyone bewitched—like a rabbit "struck" by a stoat, just as if the economic system was destined by nature to be a warren in which bankers held their blood-feasts.

The immediate cause is not in dispute, i.e., the money they are free to spend on themselves is not sufficient to cover the cost of what is for sale. As consumers they want to buy; and as producers they want to sell; yet as producer-consumers they stand round gluts of disposable things and watch them rot or destroy them. Now the bankers contend that their system of notation is flawless in design, and that it would keep consumers' incomes in perfect register with producers' costs if only the people, in these respective rôles, would behave themselves. Upon analysis it will be found that the moral defect alleged to throw the figures out of register is Selfishness. But this is not an explanation of the phenomenon. It would only be plausible if the whole of production came in consumers' possession, and it were seen that what some of them were short of others had in excess. As it is, the trouble is that there are goods which they all fail to get; and to argue that they don't get them because they are all trying to is really to assume some superhuman agency which intervenes to punish them for being greedy. But it is an established canon of interpretation, even among theologians, that supernatural causation must not be assumed when natural causation is an adequate explanation of a given phenomenon. In this case, one must first enquire whether it is to certain people's interests that communities should go without what they want, and if so, whether those people have the power and the adroitness to impose involuntary renunciation on them without their knowing it. Our answer is that it is the bankers' policy to produce a condition of material scarcity, and thereby a condition of moral subservience—the motive actuating them being to satisfy what is a universal human propensity, namely that of ruling other people's lives. In a monetary economy the ultimate power of ruling lives resides in the control of money; and the world's Governments, in vesting that control unconditionally in the hands of the bankers, have removed every political check on the exercise of their lust for power. Opportunity makes the tyrant as well as the thief.

But there is a natural check. And this is the very Selfishness to which they attribute the failure of their monetary technique to function to design. Listen to this extract from Barnard's *Mind and Brain*.

"SELFISH PROPENSITIES.—It is evident that a human being is to exist and thrive in a material world he must have faculties that assist him to adapt himself to animal life, to satisfy physical needs; the gratification of which is pleasurable, not painful, selfish propensities or instincts without which life, even in the infant stage, would die in the tussle for food and drink. In common with all the higher animals, the lowest 'storey' of man's brain contains elemental centres giving a desire for food and drink, and other centres needed for procuring them, viz., Acquisitiveness, Agressive Energy, Combativeness, and Secretiveness."

Translated, these component elements of "Selfishness" mean (a) getting hold of things, (b) offensive

action to get them, (c) defensive action to safeguard them, and (d) circumspection, reserve, discretion, etc., regulating the methods of offence and defence. Together they are essential to personal survival in a physical sense, and secondarily in a cultural sense. Without them the *individual* does not exist.

So when the bankers say that their financial mechanism is put out of action through "Selfishness" they are virtually saying that its design is not consonant with the natural law of survival. Thus they confirm the judgments expressed by the speakers at the Perth Synod that alternative designs are more consonant with Christian conceptions of the Will of God.

## Obiter Scripta.

### Financial Valuation of a Citizen.

In Major Douglas's Draft Scheme for Scotland, he refers to the present commercial capitalised value of the population. Mr. Ernest Bevin said recently that: "I asked a leading industrialist in the United States at the time of the boom, when they were endeavouring to get immigration of first-class toolmakers for their mass production shops, what he considered would be the minimum capital value of a well-trained, skilled craftsman for his tool shop, upon which so much of the mass production machinery depended. He thought it was an interesting point, made some hurried calculations, and said that every time Great Britain sent them a man of that character, they were making them a present in capital value of several thousands of pounds." (*The Listener*, November 2, p. 626.)

### Incentives in Industry.

Two years ago I had a conversation with a Peterborough engineer, who said that after the War he was pressed by agents from the United States to emigrate, but that the terms of the contracts offered were such that you were certain to be left stranded if business declined. He said that the highest skilled men in practically every factory of any account in this country had been approached, and many of them had accepted, as there was no prospect of advancement for them in this country. However, even at that date he knew of a number who had returned. "With their brains sucked dry, and nothing to show for it," Talking of English factories, he said—giving dates and places in his own experience—that the skilled workman with ideas rarely got a chance. The bosses, many of whom were jobbed into responsible positions, with little technical knowledge, never said thank you for any contributions you might make, and in large numbers of firms the only way to get a quiet life was to do as you were told, no matter how stupid it often was, and never offer any solution to a difficulty that cropped up. In the *Quarterly Review*, some years ago, W. F. Watson gave a particular instance of this. A mechanic in an English motor-car factory (he was a Greek, as it happened) invented a mechanical method of carrying out an operation which had formerly taken several men a week to perform. His idea was not spurned. The mechanism was installed, and two men and a boy could then do the job in two or three hours. After this had been running a week, the innovator was discharged—*pour encourager les autres*. Such are the results of running industry with one eye on financial results and the other (rather short-sighted) on technical efficiency. HILDERIC COUSENS.

### Maxims Concerning Patriotism.

[Extracted from the writings of George Berkeley, D.D. (Bishop of Cloyne), 1685-1753.]  
Every man by consulting his own heart may know whether he is, or is not, a patriot. But it is not so easy for the by-standers.  
A man whose passion for money runs high bids fair for being no patriot. And likewise whose appetite is keen for power.

It is impossible a man who cheats at cards, or cogs the dice, should be a patriot.  
It is impossible a man who is false to his friends and neighbours should be true to the public.

Every knave is a thorough knave, and a thorough knave is a knave throughout.

## Lord Melchett On Money.

Major Douglas, in his speech at Newcastle on October 7, referred to the idea of a "Five Year Plan" for Britain which he said was being contemplated by the bankers. Lord Melchett's book\* just published, though purporting to be about money, is essentially a piece of advocacy for such a Plan as Major Douglas was alluding to. We have not seen the book: we are basing these remarks on a review sent us by a correspondent which he has cut out of a newspaper not named. The omission to authenticate it does not matter for our present purpose, because when deep policies are afoot all newspapers are one, and their commentaries (whether reviews or articles) relating thereto put a common emphasis on certain features of those policies. The emphasis in this review is mainly on politico-economic planning, very little being said about monetary technique. Lord Melchett, it appears, propounds a system of "dual currency" (probably after Eisler), but the important feature of his book is his advocacy of the principle of *withdrawing the whole problem of economics from the sphere of party politics*. This turns upside down the old Conservative principle that the greater anybody's stake in the country the greater should be his power of influencing the policy of the country. It means that only those interests should control British policy who have nothing to gain or lose as a consequence of that policy—nothing, that is, of a material nature. Such interests would be those who were aloof from the greed of gain or the fear of loss—who would, as it were, work for a salary. That is, the banking community would take over economic legislation and administration at a fixed (and probably even descending) collective remuneration in terms of dividends. This attractive proposition being accepted, Lord Melchett suggests reassuringly that the new controlling body would not do their planning on the Russian, or on the Italian model, but would devise a New Plan comprising the best elements of the others, and surpassing both in efficiency and magnitude.

This is an inspiring vision, is it not? For what better guarantee of impartial administration can the people of any nation have than to put their affairs in the charge of their native bankers, who, being interlocked internationally with other native bankers, would draw their salaries from the "world," owing and discharging a duty to the "world," rebuking national greeds, and regulating the rewards of national enterprise? Lord Melchett does not put it that way. His idea is to have a "supreme economic council," appointed for five years at a time. ("Parliament would always have the power of dissolving it"! ) But this would undoubtedly lead along the lines of the original policy advocated by Mr. Bernard Baruch which was to form a "world economic council" having supremacy over all national political governments. This would let the United States of America into British economic counsels for a start—we mean formally, because informally Dr. Sprague and Mr. Mellon already enjoy that privilege. Indeed Lord Melchett's thorough belief in Anglo-American co-operation appears in his proposal that Britain should cede "some of our many Pacific or West Atlantic possessions to the American people." (Reviewer's words.) Lord Mel-

\**Modern Money*. By Lord Melchett. Secker, 10s. 6d.

chett defends this on moral grounds, stating that it would be dishonourable not to pay, and that there is no alternative between paying in the above way and "just refusing to pay." Apparently he does not remember, or rules out as undesirable, Major Douglas's well-known proposals to Mr. Lloyd George ten years ago—the principle of which was latterly endorsed by Lord Hugh Cecil in *The Times*. It is true that in one sense the transfer of British territory would fulfil this principle, i.e., that of repayment of debt in terms of property instead of money; but since, from a strictly financial and economic point of view, there is probably not one of the British possessions alluded to which is not a liability rather than an asset, Lord Melchett should have explained what use the "American people" would have for these properties, and how the American Treasury could translate the transfer of them into terms of remitted internal taxes. If, however, we substitute the words "American Navy" for "American people," the proposition becomes intelligible. When that American gentleman remarked that Britain's debt was "worth an army corps to the United States" he possibly envisaged some such transaction as Lord Melchett proposes, whereby the United States Navy would acquire the freedom of the Caribbean Sea together with the oil-fuelling and other facilities on or near the Caribbean coasts. So we are afraid that his Lordship is talking through his Panama hat. He seems half aware of it, for he alludes to the question of war, and seeks to dismiss the risk by saying that the United States would never spend several thousand million pounds to recover one thousand million. That is true, but in a sense which few but students of the Douglas Analysis will appreciate: for the present financial system drives creditor nations to resist the recovery of debt, not to enforce it. If they go to war again it will be rather with the intention described by Bismarck—that of insisting upon paying indemnities to their defeated enemies if victorious!

The Baruch-Melchett\* principle of super-political economic planning has already been adopted and is being applied in this country. British tariff policy has been taken clean out of the hands of Parliament and vested in a committee whose policy is undoubtedly being inspired by the ex-President of the Prudential Assurance Company, Sir George May. He, and the committee, may be regarded as the directorate of a "Mass Investment Corporation." Its formation has been defended on the ground that it is non-party in its outlook, a claim which is true only in the sense that it is not identified with any particular British enterprise, or group of enterprises, nor, for that matter, with British enterprise as a whole. It is not concerned with the economic consequences of its policy in this or in any other country: it distributes its favours indifferently in whatsoever enterprises constitute a "safe

\*Lord Melchett (the late Alfred Mond's son), speaking at the St. George's Dinner in Liverpool last month, said: "The Russian Five-Year plan is worthy of emulation by the rest of the world" (*The Star*, April 23). He also pointed out that wherever our flag flies there is trouble, discontent, and revolution. "We have no reason to be proud of our Empire." Look at the Slav, with his "erratic temperament," and "then at the British people"—the most competent people in the world—"Good heavens! Think what we could do for this country." Precisely what is biting this young Winston Churchill as the leading exponent of the outlook of "Youth." Both are raw youths; and both talk raw tripe—Melchett with a Jewish, and Churchill with a Gentile accent. Churchill has got a lead in notoriety at present, but Melchett may overtake him when he, in his turn, has been on a lecture tour in the United States. The riding of these twin apprentices ought to provide some entertainment in the near future.—(*The New Age*, February 14, 1929.)

field for investment," and wheresoever they happen to be situated. As we write (November 3) the newspapers provide us with an example. Two hundred angry Conservatives have sent a protest to the Prime Minister against the Government's neglect of agriculture in its fiscal policy, demanding the immediate imposition of a duty on foreign meat. They seem to have forgotten that they, along with the rest of the House, voted for the vesting of control over fiscal policy in the Tariff Committee. Their present demand is really one for the resumption of control by the Government, and should be made in that form. From the point of view of the "Mass Investment Corporation," British agricultural prices are British industrial costs. If those prices rise so are British industrial wages, with the result that British industrial enterprises will become a less safe, and, as things are at present, an unsafe, "field of investment," especially in regard to their powers of competition in the world market. The Corporation would, of course, anticipate this consequence, and unload its investments in British enterprises, transferring the proceeds to foreign enterprises, which would now be in a better position to sell in British markets. Again, the Corporation has money invested in the foreign meat-exporting companies whose exports the Conservatives wish to shut out of the British market. Of course, it may be replied that it could withdraw its money; and no doubt it would, but it does not follow that the money would be brought home here. The broad truth is that the Corporation, in the last resort, could make its interests secure even if the whole agricultural and industrial enterprise of Britain went flop and died out. All it would need would be sufficient time to make the necessary arrangements for changing its field of investment with the least inconvenience to itself. For it must be remembered that the insurance business is an integral part of the banking business, its function being to handle part of the long-term lending (which is what investing really is) while the banks handle the other part, and all the short-term lending.

The moral is what we have consistently emphasised since the beginning of the Social Credit campaign, namely that it is futile for any group outside the banking and insurance directorates to teach them how to improve on their methods of conducting their business while ignoring the object for which they conduct it. It is a non-party object right enough, for it is an object which every party would hotly repudiate if they declared it in intelligible language. Everybody, in whatever station of life, can be brought to agree that that thing which he calls "prosperity" is, in a material sense, measured by the quantity of goods and services made available to him by the economic system. He would agree that "general prosperity," or "national prosperity," was the sum of individual prosperities. He would not agree that every individual should be prosperous to the same degree; and for that reason would assent to the necessity for some just system of regulating the distribution of what there was to divide. His conception of such a system would be that it should reflect the broad statesmanlike (that is, practical common-sense) policy of taking account of the various criteria of contentment in vogue as between the various classes of the community, and dispensing the general distributable prosperity among them accordingly. In an ideal sense this principle can be impeached, but the point is that it would work; for the discontent which expresses itself in the order is not caused by the differentiation between standards of living but always by the lowering of particular standards of living. The ordinary individual will not begin to fuss merely because he can say: "I am poorer than Mr. So-and-so." It is when he is able to say: "I am poorer than I was," that he begins to get restive.

## Australian Affairs.

### SOCIAL CREDIT IN PARLIAMENT.

"There is no use talking about socialising this or that particular industry unless you first of all secure control of the credits of the country. The fight to-day is not the little fight between an employee and the boss to secure a larger share created by their collective efforts, but a fight between all those engaged in the production of the world's wealth against money power. It is money power versus the people. Why should a comparatively few individuals, through their handling and control of the means of exchange, be able to dictate the destinies of the people? It is far better to fight the problems facing us and stay out of office for ten years than be elected to Parliament and be treated with contempt by those in control of the credits of the world."

We call special attention to this declaration by Mr. A. C. Willis, former Agent-General for New South Wales in London, upon his arrival back at Sydney. This is the first occasion on which, so far as our memory goes, any active and successful politician has advocated the principle of renunciation of office in the absence of guarantees against financial obstruction. His declaration of this principle needs consideration not only by the Labour Party, but by any other party who might happen to be successful at the polls—even should it be a Social-Credit Party. There are, among our associates on THE NEW AGE, experienced Douglas supporters who, while enthusiastic over the impressive rate at which the Douglas proposals are winning popular support in Australia, feel that there is a danger of confusion between polling-strength and pushing-force. For instance, some months ago we saw a document, issued by some Douglas association, in which the writer explicitly stated that all you had to do was to get a Douglas majority, who would put the Douglas Prodone. We don't believe it. The delay between the appointment of a Social-Credit Federal Cabinet and its policy would allow the bankers (home and international) ample time to create chaotic conditions in the internal economy of Australia—or, what is almost equally effective, to create menacing signs of imminent chaos. We are by no means saying that if there looks to be a sporting chance of returning a Douglas majority to Parliament, money and effort should not be put behind it; but we do say that coincidentally the leaders should carefully consider how they could forestall or meet any extraordinary parliamentary counter-attack. It has to be remembered that it is one thing to get people to vote themselves out of the frying-pan but another thing to stop them repudiating their vote when the bankers present them with the fire as the alternative. The leaders of the Douglas Movement, in default of any better policy, can at least fall back on the principle laid down by Mr. Willis, and use their parliamentary majority (assuming they get one) as an Opposition majority.

Of course, we can only comment from day to day according to the developments we see happening. We recognise that, assuming the time comes when a Douglas majority enters Parliament, most people in key positions in legislative and administrative circles would necessarily have become acquainted with his proposals and their implications. It is not improbable that a good many of these, though for prudential reasons they would have opposed in public, and might obstruct in private, the enactment or administration of a Douglas Statute, would in their hearts desire the bankers immediately some turn in events made it safe for them to do so. Nothing would do more before they took office. It would raise a constitutional issue which would not only be front-page

news in all the Australian papers, but would be prominent news in the Press in all countries. In these circumstances a debate in which an Australian Opposition could expound the reasons for demanding guarantees, enlightening not only the Australian public, but the world, as to the powers and intrigues which made such guarantees imperative, would have a more dynamic effect in breaking up the financial monopoly than the passing of any statute at Canberra.

## The Films.

### Hollywood and Elstree.

At the end of last month the Empire showed a full-length English and American film in the same programme—"The Last Coupon" and "Once in a Lifetime." It is possible, but difficult, to imagine greater cruelty in the way of comparison. The best one can say of "The Last Coupon" is that it is a trifle less bad than the play on which it is based, and that it has exactly one funny—but not too funny—line. Otherwise, it is a combination of that amateurishness and office-boy humour that are to-day the recognised hallmarks of native production; Buy British and Buy Balderdash.

"Once in a Lifetime" is brilliant. It is one of the few films to which one can justly apply the epithet sophisticated. It embodies that rare variety of satire, in which the satirist directs his arrows against himself, and not against others. Here, Hollywood exposes its incredible self, mirrors a world in which everything is possible except normality. And the satire is barbed with amazing good humours as well as wit.

I do not think that "Once in a Lifetime" will be a box-office success in England, since its appreciation demands a fairly considerable knowledge of the personalities and politics of Hollywood. I believe that "The Last Coupon" will make quite a considerable amount of money in the more uncouth provinces. The lamentable moral—for this is not an isolated instance—is that Elstree's worst films are so often more profitable than Hollywood's best pictures.

### "Payment Deferred."

In the small world of the London theatre, Charles Laughton has a considerable reputation—greater than he merits, since his virtuosity is apt to be mistaken for genius, with the result that, as in the case of the Barrymores and George Arliss, both critics and public usually overlook the obvious fact that his major talent lies rather in dramatic projection of himself than in the impersonation of a character as conceived by the dramatist. In the film version of "Payment Deferred" (Empire), Mr. Laughton displays virtuosity in vacuo. Here is not the art that conceals art, but instead an overstraining after effect that defeats its own purpose. He is too intense to be credible. His alternations of mood are too violent. He gives the impression of being over-produced. Not that his William Marple is not, judged by all conventional standards, an exceptionally remarkable performance. But it is overstrained, and therefore un-real. Not for a moment could I find it possible to lose the actor in the man; Mr. Laughton was Mr. Laughton, not William Marple. And with the one exception of Maureen O'Sullivan, who will, possibly, one day be an actress, the players in this film are marionettes operated by a controller who is so mechanically efficient that his human material has become semi-Robot.

Lothar Mendes directed. Mr. Laughton has the reputation of being the most versatile of British actors. He has within a few years appeared on the London stage in a remarkable variety of roles. He has also been given a

minor part in one English film that singularly misfired—"Piccadilly." But Elstree has no use for him, as it has no use for any really capable actor or actress—native or foreign—unless it can iron all the individuality out of them and invest them with banal and unreal roles. And it was better for Mr. Laughton to emigrate to Hollywood and be over-produced than to remain in England and become the hero of celluloid penny dreadfuls.

DAVID OCKHAM.

## Education: Circular 1421.

On September 15, 1932, Circular 1421 was issued by the Board of Education to the Local Education Authorities. Its proposals briefly are:—

1. The abolition of free secondary schools.
2. The raising of fees generally to 15 guineas, at the very least to 9 guineas.
3. The abolition of "free places" as at present understood.
4. The creation of a strictly limited number of "special places," which may be won in open competition, but which will not be free to those whose parents' income is above a certain low limit.
5. The imposition of a "means test" on all winners of special places.
6. The fixing of the income limit at between £3 and £4 to parents of one child.

The consequences briefly will be that in future secondary education becomes the prerogative either of the well-to-do or of those who satisfy the dual requirement of being both clever enough and poor enough. The children of that large middle section of the community, the "respectable" classes with incomes of £200 to £400, will be practically excluded, however brilliant they may be.

To what kind of degeneracy are we forcing those families whose younger members will no longer be able to receive that education which has hitherto been the accepted standard and recognised badge of their class: the families of the smaller shopkeepers, managers, clerks, skilled craftsmen and engineers, poorer professional men, ministers, dentists, and so on?

Even with low fees during the past year two county schools have been closed, several have been merged, and in most others the numbers have greatly dwindled in proportion as the effects of deflation have been felt by the parents.

The municipal and county secondary school system of the country has taken thirty years to build up. It is to be destroyed by the dictatorial intervention of the Board of Education in three. At present four county areas and thirty-six boroughs have fees below 9 guineas, while one county and seven boroughs have free secondary schools; Manchester alone providing free secondary education for 3,000 or more children.

Local authorities will have no option but to accept the terms of the circular. The Solicitor-General stated on October 29 that the Government had no intention of withdrawing grants on to the ratepayers, in the form of increased rates, is unthinkable, with rates in six of the large Northern boroughs suffering increases up to 8½d. on account of the Public Assistance Committee's supplementary estimates. Besides, is it likely that any local authority (with or without the complacency of the ratepayers) would be allowed to disobey this Government edict? Would not commissioners be sent down immediately by Whitehall to supersede any recalcitrant local authority, and to administer the means test in the only way the bankers' Government will allow?

The bankers' campaign against local autonomy has moved on a stage. Will the corporations, as they seem to be doing, bow to it, uttering mild protestations of regret, or can those of the North at least be persuaded to combine to withstand this last and most sinister attack upon the coming generation?

F. B.

## Directory of Irish Left-Wing Journals.

- "The Irish Press," Burgh Quay, Dublin.
- "An Phoblacht," 12, St. Andrew Street, Dublin.
- "The Standard," 1, Cavendish Row, Dublin.
- "Irish Freedom," Frankfort House, Dartry, Dublin.
- "Irish Workers' Voice," 206, Pearse Street, Dublin.

## Copland and Social Credit.

By D. W. Burbidge, LL.B.

[The opening reply to Professor Copland's "Facts and Fallacies of Douglas Credit."]

### IV.

#### IV.—THE FACTS IN THE CASE OF REGINALD MCKENNA (continued).

It will be noted that we used McKenna's own words concerning the limitation upon the power to create money, viz., "so long as each bank adheres to its conventional cash ratio."

On p. 97 of his book McKenna states:—

"The pre-war restriction on the Bank of England note issue operated in practice as a restriction on credit in consequence of the maintenance by the bank of a fairly constant ratio of reserve to liabilities. Since the introduction of the currency note, however, there has been no such strict adherence to a customary proportion."

This would indicate that in England, at least, the limitation upon credit issue is more apparent than real. This indication is strengthened by a further passage on pp. 89-90, in which McKenna says:—

"As long as the world's output of gold was not too much above or below current requirements, the central banking institutions in the different countries had normally little difficulty in adjusting their policy to meet the needs of trade. We had, it is true, from time to time, financial crises when the automatic machinery broke down, but in our country at any rate immediate relief was always obtainable. The gold control was suspended by the Bank of England to issue notes against securities in excess of the limit imposed by the Bank Charter Act, and confidence was invariably restored. . . . The free issue of paper money was only permitted in times of crisis before the war as an urgent and temporary measure of relief, but to-day currency notes may be put into circulation to an indefinite amount with no other legal backing than a Government debt. I say legal backing, because there exists a Treasury Minute, which places some restriction upon the issue of notes, but even this Minute would have to be modified or withdrawn in certain readily conceivable conditions."

We have no objection whatever to quoting extensively from McKenna. On the contrary, upon re-reading his book, we have rediscovered numerous passages which should be of particular interest to students of economics. For example, on p. 5 he says:—

"When a bank makes a loan to a customer or allows him an overdraft, in the ordinary course the loan will be drawn upon or the overdraft will be made by a cheque upon the bank drawn by the customer and paid in to someone's credit at the same or another bank. The drawer of the cheque will not have reduced any deposit already in existence, because we are supposing a case in which he has been given a loan or allowed an overdraft. The receiver of the cheque, however, when he pays it into his own account, will be credited with its value, and thereby a new deposit will be created. The only case when a bank loan does not lead to a new deposit is when the cheque drawn against the loan is used by the receiver to pay off a loan which he has himself at his own bank. In the same way, when a bank buys or discounts a bill, the proceeds of the sale are paid into the credit of the seller's account, and increase the total of bank deposits; and in the same way also, when a bank buys War Loan, or makes any other investment, the purchase money goes to the credit of somebody's account in some bank, and increases the total of deposits."

And again on p. 6:—

"Let us look now at the increase of bank deposits since 1914, and see to what extent this increase is due respectively to payments in of additional currency and to bank loans. In June, 1914, the banks held £75,000,000 of currency. Last month this figure stood at £191,000,000. The banks therefore held more currency to the aggregate of £116,000,000, and to this extent the increase in the aggregate of bank deposits is accounted for by payments in of currency. But it is estimated that, since June, 1914, bank deposits have risen by £1,230,000,000. If £116,000,000 of this amount are accounted for by payments of currency

into the bank, there remain £1,114,000,000 which, if the previous analysis be accepted as correct, we must attribute to bank loans."

And yet again on p. 25:—

"I can start now with the general proposition that we take the first step towards inflation when a bank makes a loan or advance."

And page 87:—

"I hesitate to apply the term inflation to additional trade loans of this nature because of the evil associations of the word; but whatever name we give to this expansion of credit, it is indispensable to the proper functioning of our commercial system, and is imperatively needed when trade is depressed and unemployment general."

And also page 93:—

"I am afraid the ordinary citizen will not like to be told that the banks or the Bank of England can create or destroy money."

It is also interesting to note that McKenna considers that the amount of cash held by the banks is not, on the average, subject to any serious variation, for on p. 125 he says:—

"Wages, which create a large demand for currency, are almost always paid on Friday, with the result that the banks usually hold less cash at the close of that day's business than on any other day of the week. But the currency passes through the hands of shopkeepers, rent collectors, and others, back to the banks, and, comparing one week with another, the total of bank cash does not vary much on this account."

We need hardly stress the obvious fact that a graph showing the weekly cash holding of the banks over any year, and taken after closing time on Friday afternoon, would differ considerably from a graph based upon the holding of cash after closing time on Saturday. The same is true of a graph based upon the cash held on Monday in the first week, Friday in the second week, Wednesday in the third week and so on, picking the day at random. We venture to suggest that an enormous number of graphs might be obtained and each one would be different from the others. However, this is only a side issue, for the fact that bank cash varies, even if that variation is large or inconsiderable, does not affect the truth of Major Douglas' mathematical proof that the rate of increase or decrease of deposits, assuming that cash remains constant.

Before we leave McKenna's interesting book, let us quote a final passage from p. 131:—

"To check the growth of credit when the population is steadily increasing, and vast numbers of men and women are out of employment is obviously to cut off all hope of trade expansion unless prices are continuously lowered. But we all know what falling prices mean to trade in these conditions. They spell stagnation, from which the sole means of recovery is a reduction in wages. It may be true that with falling prices the reduction would be in nominal more than in real wages, but I think our experience has taught us sufficiently the difficulty of effecting any reduction at all, and that what actually ensues when the volume of money decreases is long-continued trade depression. Stationary or even insufficiently expanding money supplies, with a growing population struggling to find employment, represent in truth a condition of deflation."

### V.—THE A + B THEOREM.

Professor Copland, in his own mind at any rate, experienced no difficulty in disposing of the B payments of the A + B Theorem. They become A payments ultimately, he said, constituting consumers' incomes and purchasing power; and, therefore, in this connection, there is no essential difference between the A payments of industry and its B payments. In his opinion there is, in fact, no such thing as an A + B Theorem; it is purely an "A Theorem"—all A—and that is all there is to it. "It could be shown," he remarked, "that the whole of the costs would actually ultimately enter

the purchasing pool, which would become equal to the cost of the goods." And he was somewhat surprised that "a mathematician of Major Douglas' capacity should overlook this very simple and obvious answer to his assumptions."

It is even more surprising to us that the very simplicity and obviousness of his answer did not warn Professor Copland to "dig two feet deeper." Can it not have struck him as strange that the Canadian Government should, apparently, have overlooked this simple and obvious answer, and that it looked this simple and obvious answer, and that it should be so impressed with Major Douglas' thesis as to invite him to Ottawa to state it before a Select Committee—not a "Bankers' Committee," as Professor Copland erroneously stated? And, later, that the Macmillan Committee should fall into the same "error," as suggested by the fact that it agreed to devote its time to a cross-examination of Major Douglas, and afterwards asked him to submit further particulars of his proposals? Does all this, we say, look as though the answer is so very "simple and obvious," unless we are to write the members of these committees down as intellectually imbecile?

Frankly, we expected something more from Professor Copland! Place the A + B Theorem before anyone of average intelligence, and the answer in nine cases out of ten will be the same as his. It is the usual, casual, superficial and elementary reply that is commonly met with by Douglas advocates. "What is more palpable," say critics of this class, "than that the B payments are paid out again as purchasing power which disposes of the apparent disparity?"

Major Douglas' statement of his theorem is as follows:—

"A factory or other productive organisation has, besides its economic function as a producer of goods, a financial aspect—it may be regarded on the one hand as a device for the distribution of purchasing power to individuals, through the media of wages, salaries and dividends; and on the other hand as a manufactory of prices—financial values. From this standpoint its payments may be divided into two groups:—

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

Group B.—All payments made 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."

"The above proposition," he says, "is perhaps most simply grasped by recognising that the B payments may be considered in the light of a repayment of a bank loan by all the concerns to whom they are made, with the result involved in the relationship previously discussed between bank deposits and bank loans. (The relationship referred to is the cancellation or "destroying" of a bank deposit upon the repayment of a bank loan, and so the passing out of existence of so much money.)

Two important things should be noted in this statement.

1. The expression "rate of flow," which signifies a dynamic or continuous state. This idea can best be grasped by imagining the industrial system as a huge tank from which issue two streams. One representing the flow of A costs or payments; the other the flow of B costs or payments. The two streams flow concurrently and together represent the rate at which prices or costs are generated by the industrial system, while "A" stream alone represents the rate at which purchasing power is distributed. And in these circumstances this relation between costs and purchasing power must obtain

over any period of time, or at any point of time considered.

2. Major Douglas does not say that the total goods produced are not sold, but that a portion at least equal to "B" must be sold by a form of purchasing power other than that comprised in "A." He has stated:—

"The wages, salaries and dividends distributed during a given period do not, and cannot, buy the production of that period; that production can only be bought, i.e., distributed, under present conditions, by a draft, and an increasing draft, on the purchasing power distributed in respect of future production, and this latter is mainly and increasingly derived from financial credit created by the banks."

Professor Copland's reply to this proposition is, as we have said, that the B payments "ultimately" become purchasing power, and consequently the apparent deficiency is made up. We shall presently consider what he means by the term "ultimately" and, if our interpretation be correct, what his statement implies.

(To be continued.)

## The Police and the Government.

By John Hargrave.

### 1. The Functions of Government:—

"It is the duty of the administration to maintain order, prevent and punish violence, and to secure, as far as it possibly can, the community at large against the stoppage of supplies and the suspension of services which are necessary for the maintenance of its social life." (John J. Clarke, M.A., F.S.S., "Outlines of Central Government," 1931 Edition.)

### 2. Thesis:—

That, within the present economic system as administered by the financial oligarchy, it is impossible for any governmental administration to carry out its duties as specified in (1) above.

### 3. Evidence in Support of Thesis:—

(a) Failure of the Administration to Maintain Order: Invergordon, Belfast, Bristol, Birkenhead, Liverpool, South Shields, West Ham, Southwark, Stratford, and many other centres. Cause of disorder in each case: Lack of purchasing-power.

(b) Failure of the Administration to Prevent Violence: Increasing number of crimes of violence—smash-and-grab raids, mailbag robberies, Post Office hold-ups, highway robberies committed by armed motor bandits, etc. Cause of acts of violence in each case: Lack of purchasing power.\*

(c) Failure of the Administration to secure the Community against the Stoppage of Supplies:

A bankers' hold-up of the most vital supply—the supply of credit. Upon this supply all supplies of goods and industrialised State, yet no government has any effective control over credit issue and withdrawal. Increasing number of efficient productive organisations forced to close down or go on short time. Rationalisation schemes, quota schemes, tariff barriers, actual destruction of efficient productive plant. Destruction of consumable goods—potato crops dug back into the earth, fish thrown back into the sea, fruit and vegetables allowed to rot; arable land turned

\*There is also an increase in acts of intimidation without actual violence, as for example the following (from *The Times*, October 27, 1932):—

"MENACES WITH DUMMY REVOLVER.  
"A jeweller who pluckily tackled a man who was apparently armed was complimented and rewarded by the Recorder (Sir Ernest Wild, K.C.) at the Central Criminal Court yesterday. In the dock was Charles Sidney Lovejoy, a dustman, who pleaded 'Guilty' to demanding with stated that Lovejoy entered a jeweller's shop at Rotherhithe and presented a revolver, which it was afterwards found was a dummy, at Mr. Harris, the proprietor. Lovejoy then said, 'I am desperate. I want something.' Lovejoy seized the weapon, and Lovejoy said that it was not loaded. At the police station Lovejoy remarked: 'You have to do something when you are hungry.' He was sent to a Borstal institution for three years, and the Recorder awarded Mr. Harris £2 2s. in recognition of his courage."

to grass, grassland becoming waste land. Less than six weeks' supplies of food in the country, leaving the community open to the threat of starvation by means of a hold-up of wheat-supplies from abroad. 3,000,000 unemployed persons unable to function as effective consumer demand for goods produced, and the rest of the community becoming less and less effective as consumers. Cause of stoppage or partial stoppage of supplies of goods and services: Lack of purchasing-power.

(d) Failure of the Administration to secure the Community against the Suspension of Essential Services:

The Invergordon revolt (a most serious "suspension" of what, in the present economic structure of society, is an essential service) was the spontaneous reaction of the Atlantic Fleet to the threat of cuts in naval pay, and "the administration" (the Government) was directly responsible for this breach of discipline in the Navy, because, having failed to deal with the Bank of England (branch of the Bankers' International), it was compelled to administer the bankers' policy of drastic economies in the midst of stupendous real wealth.

The state of affairs must be serious enough when the Fleet refuses duty point blank, under the administration of a National (?) Government.

But all services have suffered these totally unnecessary reductions in purchasing-power.

What is to be thought (when considered from any realist standpoint) of an administration which, faced by 3,000,000 unemployed and a population sinking daily from meagre means towards the poverty-line, finds itself compelled to jeopardise the efficiency and discipline of the Forces of Law and Order, without which Government itself becomes impossible?

The Social Credit slogan, "poverty in the midst of plenty" has now penetrated the first leader columns of *The Times*—and has not been refuted, but accepted as an unfortunate fact.

Disturbances and disorders of all sorts have already broken out in many centres, and in some places riots have been rewarded by grants of extra purchasing-power. Is that supposed to be efficient administration by a "National" Government, or by any sort of Government? Is that the way to maintain order?

Faced by the threat of developing civil strife generated by artificial poverty and aggravated beyond endurance by the application of a degrading Means Test, the administration thinks fit—or admits itself compelled—to make a £2,000,000 reduction in police expenditure! What kind of an administrative mentality is this?

A careful re-reading of Machiavelli's *The Prince* by every responsible administrator would do no harm. The following axiom of efficient government can be laid down as absolute within the framework of the present economic system:—

A discontented people can only be kept in order by the forces of law and order—Army, Navy, Air Force, Police—and these forces will carry out their duties effectively only so long as they are paid sufficient to keep them contented.

Therefore, each reduction in pay suffered by the Army, Navy, Air Force, or Police, is certain to bring the psychology of these forces nearer and nearer the psychology of discontent manifested by the civil population as a whole.

Given the present economic situation (and ruling out the proper adjustment of that situation by means of the application of the principles of Social Credit) the correct method of effective administration is:—

(a) The drastic reduction in pay of the civilian (unarmed) population, and

(b) The maintenance of the present rates of pay, or an actual increase in the rates of pay (borne by the civilian population) of the Forces of Law and Order.

By this method, ruthlessly applied, it is possible to govern a discontented people for a very long time.

It is the Jenghis Khan Technique.

Social Credit students will understand why, in our banker-ridden democracy, such a technique is not applied. It is a technique that could not only govern a discontented people—it could also overthrow the Rule of the Bankers and keep them in order.

So far from understanding its own problem (and very far, of course, from understanding the logical solution of that problem) the administration has taken yet another step towards administrative chaos.

On October 24, the Home Office issued the following statement:—

"The Home Secretary and the Secretary of State for Scotland . . . have regretfully reached the conclusion

that, in view of the requirements of the economy programme and of the exigencies of the national finances, the second instalment of the cut in police pay must now be imposed."

The first 5 per cent. cut in police pay was made for one year as from October 1, 1931. At official meetings held recently the representatives of the Police Federation claimed that not only should no second instalment of the cut in police pay be imposed but that the first instalment should now be discontinued. A very proper and natural reaction. However, a further 5 per cent. cut is to be imposed. "Imposed" is the right word.

The Home Office statement continues:—

"It should be clearly understood that, in the present state of the national finances, no abatement of the total economy prescribed in the White Paper is possible. The need for the utmost economy in public expenditure, both national and local, is still imperative. If the present secure (sic) position of the country is to be maintained, there must be no retracing of the steps which have been taken to restore the national finances. Not only must the economies which were called for last year, and those which have since been made, be continued in their entirety, but other sources of economy must be found in the close review of the whole field of public expenditure which is again being made by the Government and the local authorities."

And further than that:—

"The Government have decided, on the broadest grounds of national policy, that there is no alternative but to insist on the full realisation of the economies in police expenditure decided upon last year."

That means, in other words, that the administration cannot afford a contented police force.

The spirit of Invergordon still lingers in the Navy? What would you expect?

The unemployed discovered that a riot could, and did, produce an increase in their allowance. What is to be expected from that?

And the police, who are supposed to deal with any such disturbance of the poverty-stricken peace, are reduced in pay by 10 per cent. The police and the rest of the community are told that "there is no alternative." There is, and it is known as Social Credit. The Police Federation ought, in its own interests, to make a careful examination of Major Douglas's proposals.

Although every cut in police pay is certainly one step nearer a widespread economic revolt that is bound to result in civil strife, it may also be a step towards Social Credit. No sane man wants civil strife, but the political block-heads of the administration who dare not force the Bankers' system, may push the country further and further towards internal disintegration and final disruption.

We conclude by re-stating our thesis:—

That, within the present economic system as administered by the financial oligarchy, it is impossible for any governmental administration to carry out its duties.

## New Zealand Affairs.

Last week-end brought us long private advices from New Zealand. The authentic words of Captain Rushworth to which we referred lately in respect of the subject of "responsibility for failure" are as follows:—

"It is sound and could be got working in three months, and I would volunteer for the job of putting it into practice if failure meant being put up against a wall and shot. But the Government will not even investigate the subject." (Speech on Finance Bill, 1932.)

This is taken from a 4 pp. printed folder called "It Is A Money Question!" published by the New Economics Association, 95, Gloucester Street, Christchurch, N.Z. The contents consist of short quotations from speeches made on the Finance Bill during the debates of March-April, 1932, by the following Members of Parliament: Mr. Atmore, Captain Rushworth, Rev. Clyde Carr, Mr. Langstone, Mr. Mason, Mr. Parry, Mr. McKeen, Mr. Barnard, Mr. Schramm, Mr. Semple, Mr. Wright, Mr. Coleman, and Mr. Richards. These Members, though probably not all Douglas men, are at one in their explicit insistence on (a) the right of the Government to control credit-policy, and (b) the duty of the Government to use the control to correct the flaw in the dis-

tributive system. One or two of them gave the House information about credit-creation, for example, Mr. Langstone, who said: "Directly you repay an overdraft you cancel a loan and you destroy a deposit."

No reference to the technical methods necessary to perfect the system of distribution appears; but this does not matter—the occasion did not demand it—and indeed the question cannot become practical politics in the Parliamentary sense unless and until the Government take up the position that their adoption or otherwise of the Douglas Proposals depends on their technical soundness. At present this is not the case. It is not a question of "Will they work?" but simply one of: "We don't want them to work." The "we" are, of course, the financial interests who run all Governments, creating and destroying them just as they do credits. The politicians who get into Office in such Governments are not only incompetent to verify the technical merits of the Douglas policy, but are also indifferent to its objective. To them Parliament is a playhouse, policies are dramas, and they the leading actors. Any policy which does not provide "fat parts" for them is a "wash-out." The drama must have a strong hate-interest; for they aspire to appear on the stage as Majestic Embodiments of Clashing Wills and Loyalties. They cannot do without the flood-lights of Press publicity (for the big combats are big news) and the spot-lights of social patronage (for the big combatants are big noises). Therefore the continued functioning of the banking system is a psychological necessity to them. Give them the storms, the fires, and the earthquakes of human discontents, rivalries and animosities provided in the bankers' melodrama, and they are content. Show them, on the other hand, a pageant of Life in which every citizen is an embodiment of contentment and reconciliation—then a black frost binds their hearts. "Away with it! It's too cold to be true." And that is the explanation of their professed inability to "understand Douglas." Of course he's "unintelligible"—for insofar as his writings can be considered as a play, there's a part for everyone, and the "fatness" of the part is a potentiality which will unfold itself according to the human worth of each individual player.

Our mail includes a newspaper cutting showing that on September 15, at New Plymouth, Mr. Hubert Cedric Jepson, aged thirty-nine, reported at the police station that he had relieved the State of the expense of maintaining three citizens, to wit, his wife, Lilian Violet Jepson, aged thirty-seven; and his two sons, Richard Cedric, aged twelve, and John Robert, aged eighteen. He did it with an axe while they were asleep in the early morning. The report speaks of his having been out of work, and having been worrying over his own position and that of his family. It states that he and his wife "were known to be very devoted to that he and his wife" were known to be very devoted to each other." His motive, then, was impersonal, and, in the bankers' sense, patriotic. For the higher the death-rate of consumers the higher the credit of New Zealand. A boom in home burials facilitates foreign borrowings. The pruning away of lives scales down interest-rates. Work for shedding of blood comes remission of debt. For these, and undertakers provides work for underwriters. For these, and many other reasons based on accept financial axioms, it is plain that Mr. Jepson, though conventionally referred to as a murderer, is essentially an economic planner. "Science a must march on"—as someone once said in reproach of an anti-vivisectionist enthusiast—and what is the loss of a few lives compared to the potential possibilities of Mr. Jepson's experiment? He probably did not realise them; but that does not detract from the value of his work nor from the credit due to him. Many deservedly celebrated discoverers stumbled upon their discoveries. We salute the author of the "Jepson Plan." It is unfortunate for him that the nature of his experiment has put him into the power of the Law, which will probably repeat it on his own person. We can only console him with the reminder that martyrdom can only console him with the reward of many great scientific discoverers. Still, if the worst is to happen, he may comfort himself that the principle of bio-rationalisation implicit in his plan will secure greater and greater recognition by the public so long as the present financial system continues to operate. They will come to realise that the numbers killed, but of the tipration is not a question of the numbers killed, but of the collective saving to the State accomplished. It is cheaper than twenty £100-a-year men into one corpse in one grave convert a £2,000-a-year man into one corpse in one grave if the object is to "provide work" grave-digging, this is a different matter.

We suggest to our friends in New Zealand that they compile records of events like this, and pelt the posturing politicians with them, especially the finance minister. If he neglect the salvation of the Douglas Plan how shall he escape the condemnation of being identified with the Jepson Plan?

## Theatre Notes.

### "The Bear Dances": Garrick Theatre.

The Russian bear of pre-revolution history was always a slow-moving animal. His pace was regulated by an imperial autocrat, and not even the knout, vodka and Muscovite maidenhood could accelerate his tricks. He was Asiatic in his habits, and he kept his face turned resolutely and stubbornly towards the east. Suddenly there came the grim, fateful days of October, 1917. Kevenky sounded a warning unheeded by Czar Nicholas II. Isvolsky flitted painfully from the scene of his diplomatic futilities, Rasputin paid the penalty of a charlatan, and Lenin proceeded to formulate the greatest political experiment in modern history. The bear got away with a vengeance. Those who are interested in the progress which he has made in the decade between his escape and the present day will be entertained and possibly instructed by Mr. F. L. Lucas's tragi-comedy of Soviet Russia which Mr. Leon M. Lion has produced at the Garrick Theatre. Whatever may be its dramatic shortcomings, "The Bear Dances" is a finely-acted and on the whole skilfully produced play, and there is no reason to suppose that within the author's limited frame of reference it does not present a tolerably faithful picture of social conditions in the U.S.S.R.

If it is one thing to watch a gigantic political experiment in the rôle of a casual spectator, it is certainly quite another thing to feel its effects on one's own skin. The latter position is enjoyed by Grigori Orlov, sometime professor in the University of Moscow, now living in a squalid room of what had once been his magnificent house. With the rising of the curtain in Act I, the audience is introduced to the G.P.U., that much dreaded and much magnified secret police organisation. Two of its members are on the look-out for evidence of counter revolutionary activities, and with the hope of incriminating Orlov and Father Kivillitch, an old priest with whom he shares his room, they ransack the place, but only succeed in finding an ikon of St. Anthony on the reverse side of a photograph of Lenin. Audrey Orlov, the ex-professor's son and his wife Elizaveta, who have become naturalised British subjects, suddenly return from England to visit the old man. They are astonished at his discomforts, but buoyed up by his cheerfulness. Almost immediately they are joined by Elizaveta's father, Leonti Levine, a shrewd Jewish official in the Soviet Government, and her sister Vera, a charming and enthusiastic young Communist. There is thus a regular family reunion, and the frank discussion which ensues on the merits and demerits of Bolshevism continues throughout the play. The system's principal protagonist is Vera, and she is supported by Vladimir Blok, a young official who appears towards the end of the first act to take off poor old Father Kivillitch to summary trial and execution. The critics are the three Orlovs, and the scene of their argument changes in Act II. to a station on the railway south of Moscow, and finally to a typical Soviet house in a Ukraine village. It is only in the final Act, when this rather amusing debating society gives way to a well meant attempt to speed up the action of the play, that it develops into feeble and unconvincing melodrama. The trials before the local authorities appear particularly farcical, since the accused are not heard in their own defence.

As Vera Levine, Miss Elena Miramova is the outstanding figure in the piece, and provides, in my opinion, the outstanding attraction. She acts with an appeal and sincerity which might well have made some converts in the audience to the Soviet cause. As her father, Leonti, Mr. Abraham Sofaer gave a clever impersonation of a Bolshevik official who is found out by his own party; and as the much ill-used ex-professor Grigori Orlov, Mr. Maurice Browne was most convincing, even to the extent of flicking the communal lice from his own body to the bodies of his brother Communists. Mr. Gyles Isham betrayed too clear traces of an Oxford training in his part of Elizaveta Orlov and is shot by official, who makes love to Vladimir Blok, the young police the loquacious Audrey—not for making love to his wife, but for sending some peasants to the timber camps at Archangel in the capacity of village magistrate! Mr. Henry Vibart made a most pathetic Father Kivillitch, falling under the blows of his goddess persecutors, while Mr. Henry Hewitt and Miss Olga Lindo as Audrey and Elizaveta Orlov were as brilliant as their difficult and melodramatic parts permitted.

Now that the Russian Bear has turned his face towards the west in a laudable search for knowledge, his psychologi-

cal reactions as he dances and plays with his new toys, factories, and tractors are worth the attention of the serious-minded foreigner. In this respect there is something to be learned from Mr. Lucas's play. It brings out forcibly what is, perhaps, the most striking feature of the Bolshevik experiment—namely, the unswerving and enthusiastic belief of the masses in the efficacy of the Communist State. Such a mental process is, of course, only rendered possible by a well-organised and disciplined governmental hierarchy. Lenin said that the faithful worker must be one of the mass, and so with his 150,000,000 fellows this being moves obediently to the factory siren's whistle and thinks in terms of loud-speakers and collective farms. He eats, drinks, copulates, and sleeps to his stomach's content, and who can say that he is not happy? It is not his fault if he believes that all foreign capitalists wear monocles and top hats, keep expensive mistresses, and starve their workers. The Soviet system undoubtedly has its advantages—crèches, birth-control clinics, easy divorce courts, universal education—all free. So why worry about what goes on outside? And then there is work for all. Perhaps the people's proudest boast is put into Vera's lips that Russia is the only country in the world where there is work for all who choose to do it. But this is at best an imperfect solution of the economic problem, and it only provides the individual with a livelihood at the expense of many of his finer mental qualities. It is not lack of employment, but lack of payment which is the cause of the trouble, and there is no evidence that Mr. Lucas was aware of this when he wrote his play. When there are dividends for all, then work for all in its just measure must follow. Only then will the State attain the highest sense of human satisfaction.

### "Philomel": Ambassadors Theatre.

"Philomel" is described on the programme as "a new comedy with music." The play is by Mr. J. Jefferson Farjeon, the music by Dr. Martin Shaw, and the lyrics by Mr. Clifford Bax. The action takes place in the music-room of an English country house, amid the charm of manners and the brilliance of talents that made the Regency period worth living in.

Roger Harkness (Mr. Arthur Wontner), an elderly composer living in rustic retirement, is suddenly honoured by the visit of a nightingale in female form. The nightingale is Stella Floyd (Miss Phyllis Neilson-Terry), who has scaled his garden wall and torn her plumage. They soon prove to have more than one interest in common, and a pleasant romance is the result. But Harkness has a pupil, Arnold Rowe (Mr. Griffith Jones), who has also seen the nightingale, alias Philomel, and, from being an incompetent strummer, her appearance in a red cloak, with the cool evening breeze ruffling her hair, has instantly turned him into a masterly musician. However, before he openly declares his love, an honest doubt in his mind, caused by the sight of two teacups and two eggshells on Harkness's breakfast tray must be dispelled. This done, everyone is happy.

Thus the play, which is a pleasant *jeu d'esprit*. The music is not catching, nor are the lyrics particularly pleasing, though, indeed, they are rendered with consummate skill by the players. Miss Phyllis Neilson-Terry and Mr. Arthur Wontner are very engaging, and they fully deserved the applause which they received on the first night. Mr. Griffith Jones appeared rather too impetuous for a successful lover, though he sang excellently. Miss Hélène Ray and Mr. W. E. C. Jenkins were most refreshing French servants, and Mr. Robert Atkins, as the musician's pedantic boon companion, added to the comic relief. The dresses are faultless and the setting exquisite. A delightful production, if trifling in conception.

RICHARD CARROLL.

### PROPOSED EALING GROUP.

Will those interested in the proposal to form a Social Credit Group in Ealing communicate with M. Phillips, Oldfield Cottage, Oldfield Lane, Greenford?

### BIRMINGHAM SOCIAL CREDIT GROUP.

This Group meets in Room 6, Great Western Hotel, Snow Hill, Birmingham, on the second Wednesday of each month, at 6.30 p.m. Mr. S. W. Wyatt will speak on "My Interview with the Exchequer" at the next meeting. All interested invited. Inquirers, write, Hon. Sec., G. Kay, "Marchmont," Old Croft Lane, Castle Bromwich.

## Review.

**Character and Personality.** (An International Quarterly for Psychodiagnostics and Allied Studies.) (George Allen and Unwin. Single copies, 2s. 7s. 6d. per annum.)

This first number is to appear both in German and English, and marks an attempt at closer co-operation between psychologists of all nations. Psychologists of all schools and shades of opinion are to contribute, from Adler and Jung on the one hand, to followers of Pavlov and the "conditioned reflexes" on the other. It is an attempt well worthy of support by those interested in psychology. In the present issue my own personal predilections lead me to find most interest in Prof. McDougall's introductory essay and in Dr. Jung's appraisal of Freud's work.

N. M.

## LETTERS TO THE EDITOR.

### THE GREEN SHIRTS.

Sir.—We are convinced that it is necessary to carry Social Credit into the economic struggle of the wage-earning masses, and especially into the mass demonstrations of the unemployed.

On Sunday, October 30, when some 2,000 unemployed marchers from various parts of the country held a mass demonstration against the Means Test in Trafalgar Square, a section of twenty-two London Green Shirts in full kit paraded and marched with military precision, bearing a large green banner, on the front of which were the following words in white lettering:—

"The Green Shirt Movement.

ABOLISH

THE MEANS TEST.

ISSUE

THE NATIONAL DIVIDEND TO ALL."

On the back of the banner were the words:—

"The Green Shirt Movement.

NOT LESS FOR SOME

BUT

MORE FOR ALL!"

It is of interest to note that the Green Shirts were cheered and cheered again by the unemployed demonstrators and the crowd, and the following friendly greetings were shouted at them as they came down the Charing Cross Road:—

"Here come the Douglas boys!"

"Hurray! Here comes the Douglasites!"

"This is the Douglas lot—Social Credit!"

"Good luck to the Green Shirts!"

"These are the Douglas men!"

"What is it—Fascisti?" "No; Douglas Social Credit!"

The Green Shirts marched to the centre of Trafalgar Square and were loudly cheered as they took up their position facing Nelson's Column. They were cheered again when they were brought to attention from the stand-at-ease position and marched off with the East London contingents of the unemployed. As they marched out of the Square a voice from the crowd shouted:—

"When are you going to start paying out the National Dividend?"

During the three-hours' demonstration the crowd pressed round the Green Shirt Section and their bright green banner, eager for information, arguing this way and that, for and against—

"They're for the workers—we ought to welcome the Green Shirts."

"Well, I reckon they're Fascists—"

"No; no; they're with us. They're against the Means Test."

"Ah, but they're not Socialists—"

"They're Douglasites—the National Dividend—"

"That isn't Socialism—"

"Well, what is it, then? They say issue the National Dividend to everyone—"

"Yes, but to millionaires and capitalist-profiteers as well—"

"What's that matter so long as the workers and the unemployed get the National Dividend?"

"It isn't Marxism—"

"No; it's Douglas—"

"Well, I welcome the Green Shirts. The workers need a disciplined corps with uniforms . . . and so on, during the whole of the two hours that the Communist speakers

were doing their best to make themselves heard from the plinth.

It was to be noted that, owing to the good parade discipline and marching-technique of the Green Shirts no police escort for their section was deemed to be necessary.

This was the first time that a body of Green Shirts has joined in with a mass demonstration of the unemployed. We were astonished at the number of people in the crowd who knew of Douglas Social Credit. A Green Shirt Demonstration Council has been formed to make arrangements for further co-operation between the Green Shirts and the organised unemployed. Social Credit advocates, who see the necessity of carrying Social Credit into the midst of the broad masses, are needed.

Social Credit must have mass support. If we go out to get it we can get it. We call for more and more Social Credit men (and women) to come in and help.—I am, sir, etc.,

IAN A. ROSS,  
General Secretary, The Green Shirt Movement for Social Credit. (Kibbo Kift.)

K.K. Headquarters,  
35, Old Jewry, Cheapside,  
London, E.C.2

## Events of the Week.

(Compiled by M. A. Phillips.)

- October 29.  
World Economic Conference Preliminary Committee meet Monday next.  
£ steadier.  
Unemployed riots at Bristol.  
Unemployed demonstrations at Bournemouth.  
U.S.A. unemployment 11,000,000.  
U.S. farmers' hunger march.  
G.B. small savings aggregate, £1,100,000,000.  
New French "Disarmament" Plan released.
- October 30.  
Hunger marchers' mass demonstration in Trafalgar-square. Many baton charges.
- October 31.  
Cotton spinners' lock-out commences.  
Free State disturbances. White Army involved.
- November 1.  
"Evening Standard" wants unemployed demonstrations forbidden.  
Farm labourers reject wage-cuts.  
Germany—legal dilemma regarding position of Prussian Government.  
Treasury to repay £114,000,000 5 per cent. bills on February 1.  
Hunger marchers attempt to present anti-Means Test petition to Parliament. Many clashes between police and demonstrators in Westminster, Holborn, Clerkenwell, Deptford, Battersea, and many other places in London. Many baton charges, casualties, and arrests. Hannington (Communist leader of marchers) arrested earlier in day. Commissioner of Police declares state of emergency.
- November 2.  
Government raise £300,000,000 in 3 per cent. Treasury bills to repay all current conversions.
- November 3.  
Rise in gilt-edged following completion of conversion scheme.  
New Wall Street slump.  
Tory M.P.s revolt—meat taxes demanded at once.  
Many Socialist gains in municipal elections.  
Disclosed that police had seized the anti-Means Test petition (1,000,000 signatures) from Charing Cross station cloak-room.  
Ottawa Bill passes Commons.  
Revolt at Westminster workhouse—mounted police charge inmates.
- November 4.  
Government decline to tax meat, but disclose alternative plan, which includes quota system, State abattoirs, and possible price control. Note also recent private talks between Government and bankers about possible short-term agricultural credits.  
General transport strike in Germany; Nazis and Communists combined against Government wage-cuts and economies. Many riots and clashes with police.

**G**UESTS received, permanent residence, pleasantly situated private house, sunny aspect, close pine woods, 10 mins. Golf Links, 10 mins. bus to centre of Bournemouth, garage, good food and service, 2½ Gns., 2 Gns. sharing. Social Credit Students very welcome. Mrs. English, Hillsley, Caledon Road, Parkstone, Bournemouth.

**ACADEMY CINEMA, OXFORD STREET**  
(Opposite Warings) Gerrard 2981.

SECOND WEEK.  
THE FAMOUS FRENCH DRAMA  
"DAVID GOLDER"  
Also "THE BATTLE OF LIFE" and Hans Fischinger's "LICHTERTANZ."

**T.B.—A FREE BOOK.**

5,000 TO BE GIVEN AWAY.

Any sufferer from this disease who has not yet read the book recently published at 3/6 by an English physician on the treatment and cure of Tuberculosis, may have a copy, whilst the supply lasts, sent free of charge to any address. Applications to

CHAS. H. STEVENS, 204, Worple Road, Wimbledon, S.W.20.

**THE "NEW AGE" CIGARETTE**

Premier grade Virginian tobacco filled by hand in cases made of the thinnest and purest paper, according to the specification described in this journal on January 23, 1930.

Large size (18 to the ounce). Non-smouldering.

Prices: 100's 7/6 (postage 3d.); 20's 1/6 (postage 2d.)

Price for Export ex English duty quoted on minimum quantity of 1,000.

FIELDCOVITCH & Co., 72, Chancery Lane, W.C.2  
(Almost on the corner of Holborn and Chancery Lane).

**The Social Credit Movement.**

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

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

**SUBSCRIPTION RATES.**

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

**CREDIT RESEARCH LIBRARY**

**Books and Pamphlets on Social Credit.**

- BRENTON, ARTHUR.  
Social Credit in Summary. 1d.  
The Key to World Politics. 1d.  
The Veil of Finance. 6d.  
Through Consumption to Prosperity. 2d.
- C. G. M.  
The Nation's Credit. 4d.
- DOUGLAS, C. H.  
Economic Democracy. 6s.  
Credit Power and Democracy. 7s. 6d. 1d.  
The Breakdown of the Employment System. 7s. 6d.  
The Control and Distribution of Production. 7s. 6d.  
Social Credit. 7s. 6d.  
Canada's Bankers. (Evidence at Ottawa.) 2s. 6d.  
The Monopoly of Credit. 3s. 6d.  
These Present Discontents: The Labour Party and Social Credit. 1s.  
The World After Washington. 6d.  
Social Credit Principles. 1d.  
Warning Democracy. 7s. 6d.
- DUNN, E. M.  
The New Economics. 4d.  
Social Credit Chart. 1d.
- GORDON CUMMING, M.  
Introduction to Social Credit. 6d.
- H. M. M.  
An Outline of Social Credit. 6d.
- HATTERSLEY, C. MARSHALL.  
This Age of Plenty. 3s. 6d. and 6s.  
Men, Machines and Money. 4d.
- HICKLING, GEORGE. (Legion of Unemployed.)  
The Coming Crisis. 2d.
- POWELL, A. E.  
The Deadlock in Finance. 3s. 6d.  
The Flow Theory of Economics. 5s.
- TUKE, J. E.  
Outside Eldorado. 3d.
- YOUNG, W. ALLEN.  
Ordeal By Banking. 2s.
- W. W.  
More Purchasing Power. 25 for 6d.

**Critical and Constructive Works on  
Finance, Economics, and Politics.**

- BANKS, PAUL.  
People Versus Bankers. 6d.
- DARLING, J. F.  
Economic Unity of the Empire: Gold and Credit. 1s.  
The "Rex"—A New Money to Unify the Empire. 2s.
- HARGRAVE, JOHN.  
The Great Pyramid—An Analysis of the Political Economic Structure of Society. (With diagram.) 1d.
- HORRABIN, J. F.  
The Plebs Atlas. 1s.  
An Outline of Economic Geography. 2s. 6d.
- MARTIN, P. W.  
The Flaw in the Price System. 4s. 6d.  
The Limited Market. 4s. 6d.
- SYMONS, W. T., and TAIT, F.  
The Just Price. 2d.

**Instructional Works on Finance and  
Economics.**

- BARKER, D. A.  
Cash and Credit. 3s.
- CLARKE, J. J.  
Outline of Central Government. 5s.

Address: 70, High Holborn, London, W.C.1.  
Published by the Proprietor (ARTHUR BRENTON), 70 High Holborn, London, W.C. (Telephone: Chancery 2470), and printed for him by THE ARGON PRESS, LIMITED, Temple-avenue and Tudor-street, London, E.C.4. (Telephone Central 1571.)