

# THE NEW AGE

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## CONTENTS.

	PAGE		PAGE
NOTES OF THE WEEK	109	AUSTRALIAN NOTES	117
The science of Logic as an object of study. Technocracy. Mr. Marsden's criticisms of Social Credit in <i>The Post</i> . The "New Accountancy"—the Stinnes Combine—the hydrogenation scheme. The New South Wales Government's inquiry into Social Credit.		Meeting at Camsie—newspaper reporter's impressions.	
THE GREEN SHIRTS. By I. A. R.	115	THE FILMS. By David Ockham	117
THE PASSING OF PARLIAMENT. By Captain Rushworth	115	Review of the past year's films.	
Speech in the New Zealand Parliament.		REVIEWS	118
		<i>Theory of the Credit Standard. The Functions of Money. Britons In Partnership.</i>	
		CORRESPONDENCE	118
		A. Cunliffe, Ralph Edmonds, I. O. Evans.	

## NOTES OF THE WEEK.

### Thought-Checking Devices.

We said last week that we should develop our reasons for recommending *First Lessons in Logic*\* to the attention of Social-Credit propagandists. We now proceed to do so. As a background we subjoin three quotations from the preface to this little text book.

"I am sure that much of the value of Euclid lay, not in the geometry of the alleged gymnastic, but in the delightful rigmarole. Boys love rigmarole, and elaborate nonsense, and quote it at each other with glee. Now the rigmarole of grammar is the wrong rigmarole. There is no fun in it, as *The Comic English Grammar* painfully proves; but there is fun in the rigmarole of logic. Look at Lewis Carroll!" (George Sampson in *English for the English*.)

Logic is not only an exact science, but it is the most simple and elementary of all sciences; it ought therefore undoubtedly to find some place in every system of education. The relations of propositions and the forms of argument present as precise a subject of instruction and as vigorous an exercise of thought as the properties of geometrical figures or the rules of algebra. Yet every schoolboy is made to learn mathematical problems which he will never employ in after-life, and is left in total ignorance of those simple principles and forms of reasoning which will enter into the thoughts of every hour." (Professor Jevons, in preface to his *Elementary Lessons*.)

"Let us look into books of controversy of any kind, there we shall see that the effect of . . . equivocal terms is nothing but noise and wrangling about sounds without convincing a man's understanding. For if the idea be not agreed upon, for which the words stand, the argument is not about things but names." (Locke, in his *Essay Concerning The Human Understanding*.)

It is not necessary for us to labour the applicability of these quotations to contemporary controversies about money. In fact the political system as a whole is run on the basis of arguing in terms of sounds. The elector votes for names; and when he has done so the banking interests prescribe the things which shall stand for those names. The process of prescribing them is disguised in the phrase: "Inter-

\* *First Lessons In Logic*. (Waite and Row. Published by G. G. Harrap and Co. Price, 2s.)

preting the electoral mandate." Readers of this journal will realise at once why the science of logic is practically excluded from the school curriculum. If the citizens of this country were grounded in its general principles it would go a long way towards making them immune to the spell of political oratory. To the bankers, of course, this is not a desirable objective. So, as Professor Jevons observes, the schoolboy is left in total ignorance of simple principles and forms of reasoning, while, on the other hand he is trained to the point of staleness in the science of mathematics, a training which, of course, predisposes him in after-life to confuse things with numbers. His understanding is then easily lulled to sleep by faked figures set to sublime sounds.

Fortunately most of us possess intuitive faculties which enable us to recognise when certain given conclusions are ambiguous or false. And, as the authors say in their last chapter, though all reasoning rests immediately on experience, it rests ultimately on intuitive knowledge which reason cannot account for. Nevertheless, there arise many occasions in controversy where, although intuition may tell us that a conclusion is false, it cannot show us just where the falsity has crept into the reasoning. This is where a knowledge of the principles of logic is important. Those principles, when known, can be invoked and applied to the reasoning irrespective of the subject of the reasoning. They are, as it were, an impartial chairman to whose ruling both parties to any debate are bound to conform. And the ruling they give can be expressed in intelligible and convincing terms. A false argument is something like a conjuring trick done by accident; and the shortest way of proving the falsity is to show how the trick was worked. Logic is not all-sufficing—it can be as bad a master as it is a good servant—but it does act as a corrective of personal feelings and as a guide to the direction in which their motive power can be exercised with the least waste of energy. There is an automatic, mechanistic property in it which detects false reasoning in the same way as certain machines detect bad coins.

Now your political orator does not like such mechanistic impediments to his style; nor do the

financial interests who run him. In combination they conduct a system of numerological ideology in which the terms, whether of quantity or quality, are used by them in any sense which they choose to assign to them at any given time. Fixity of identification is abhorrent to them, whether in the form of relating numbers to concrete things, or of relating ideas to definite experiences. For example, they do not like such a request as was made by that gentleman who wrote to *The Times* from the Athenaeum asking to be told what was "the criterion of 'wise spending.'" For this amounted to asking them *how much* should be spent (quantity) and *on what* (quality). So the inquirer received no answer—and naturally so; for *any* answer would have let them down because they had already committed themselves to the identification of saving (in the abstract) with wisdom (in the abstract). Thus any spending was antecedently a negation of wisdom.

Mr. Ramsay MacDonald, it will be remembered, during one of his terms of office as Premier of a Labour Government, condemned the practice of candidates giving promises at election-time. He was unwittingly logical. For a promise, in the nature of the context, commits the candidate to a method of effecting a given policy. But since the bankers are the arbiters of methods, no candidate can guarantee that any method will be adopted. Hence he ought not to promise that it will. Then again; take any party programme, and subtract from it all passages relating to methods, and what you find left is an assemblage of names signifying sentiments. And these names and sentiments are common to all the parties. Thus the politicians are to sell the public chameleons, which will take on the colour of any aspiration nursed by any buyer. That's Mr. MacDonald's meaning. And it is the same with all political leaders. Like the Bank of England who promise to pay you "one pound" for your one-pound note, i.e., exchange another note for yours, the politicians circulate statements of high intentions for which, when you present them, they tender in exchange simply *re-statements* of high intentions.

Reverting to our remarks about the mechanistic element in the principles of logic it is significant that the taboo on this subject extends to other subjects similarly characterised. As to one of them, namely phrenology, we have several times pointed out the parallelism between the attitude of the Press to this subject and its attitude to Social Credit. The fundamental reason for this is that a knowledge by the public of these subjects would render the task of lawless thinkers, speakers and writers on economics and psychology much more difficult to accomplish. They most usually voice their repulsion to this cramping of their style—this limitation of the area of mystifying speculation—in some such phrase as: "Too deterministic"—"Negation of man's free will"—"Denial of personal responsibility for personal behaviour." They stand for the primacy of spiritual force over material force in relation to every problem of life irrespective of its particular nature. Hence you find them, for example, prescribing exactly the same procedure to a man who wants to save his soul as to a man who wants to save his breakfast. They teach in effect that if man will take the mountain path to celestial beatitude he will enter upon the plains of terrestrial prosperity on the way. If he renders everything unto God he will find he has something left to render unto Caesar! If people will put all their money into Norman's vault the industrial system will put all its products into their houses. Stated thus, the proposition is absurd; but when wrapped round with noble names and set to noble music, the majority of the public fall for it. "Sing me to sleep, mother"—as the song says!

Their attitude of mind shows that they have hardly progressed beyond that of the disciples who asked Christ: "What sin have this man's parents

committed that he was born blind?" There is the same inability to recognise the possibility of a material cause for a material effect. Look anywhere in the *Times* on almost any morning when the economic problem is under discussion and you will find the obstacle to its solution ascribed to a moral waywardness on the part of this or that person or industry or class within the nation.

This reflection brings in another subject of study and practice, viz., that known as osteopathy. This subject, too, is overlooked by the Press and left to be discovered and appreciated by those few people who take the trouble to search for the truth. The reason is that here again the doctrine that psychological states can be induced by physical stimuli is repugnant to the mentality of the authorities. For the osteopath, like the phrenologist, claims to demonstrate that certain mental phenomena are caused by (or, if you like, are uniformly associated with) certain malformations of the patient's anatomical structure. Osteopathy and phrenology are really extensions of each other—the study of physiognomy being closely related to both of them. Physiology, too, comes into the same frame of reference in the sense that it can demonstrate the uniform association of mental aberrations with certain organic derangements.

#### Technocracy.

The principles and methods of scientific research—especially in the physical field—tend to destroy the prestige and authority of the politician. And, what is more significant, the results of that research are leading to the conclusion that the function of the politician is now largely redundant. They are proving that in respect of all the practical problems of life his peculiar qualifications are irrelevant to their solution, and his co-operation in the process a mischievous intrusion. This would be true even supposing that these problems were looked at in the same light by all responsible people, and a common agreement on the principles on which they should be solved; but it is doubly true in the situation made manifest by Major Douglas's analysis, where the financial power behind the politician, and exploiting his art, is the cause of the problems, and does not wish them to be solved. Political oratory is, to-day, conjurer's patter. The saying, in respect of conjuring, that the quickness of the hand deceives the eye, is an incomplete account of the process; the slickness of the tongue plays a hardly less important part in the deception. In the performance of the great Money Trick the tongue-work is done by Threadneedle Street while the tongue-work is done by Downing Street. When Snowden told the festive bankers at the Mansion House: "I am your Minister" he was simply paraphrasing the declaration: "I am your tongue." And similarly the function of every ministerial talker at the present time is to persuade the public into seeing what isn't going on and missing what is. We heard some wag last week propound an intelligence test to some friends. "Some of the Hot-Air Force is?" The correct answer, you know," said he, "who the Commander-in-Chief according to him, was: 'Lloyd George did get one objected that, after all, Lloyd George did get a move on in the speed-up of munitions early in the war—to which the propounder of the test contented himself by replying in drawing, derisory tones: 'So they say—so they say!' And the same answer serves admirably in respect of almost any claim that a politician has ever *done* something in the sense of causing it to happen when, but for him, it would not have happened. In this example of the munitions the dynamic factors in the speeding-up were (a) military technicians in France needed their (b) civil technicians in England were organising their

provision; (c) unanimous public sentiment, backed by capitalism in arms, willed the provision regardless of monetary cost, and with an intensity which would have settled the account of any refractory money-monopolist with bullets. There was nothing left for Mr. Lloyd George to do. All that he did do was to slip down to a wayside station to meet the first full train of munitions which came along, to mount the footplate, and then to ride back to the terminus wagging his right honourable tongue: "The army want shells, and, by God, they shall have them."

The immediate occasion of our remarks on this subject of the redundancy of the political class is that it is being taken up by the "technocrats" in the United States. As our readers are aware, the researches of these people are yielding concrete evidence of America's manufacturing resources, which are shown to be capable of a large increase in the supply of goods without the assistance of extra human service. This is putting their case at the very lowest. It is significant to note the reaction of the politicians as exemplified by articles appearing in the *New York Herald Tribune* in disparagement of technocracy. What touches their nerve is evidently the reflection that if industry does, as the technocrats advocate, provide unhired labour with adequate means of living, one of their own fattest jobs has gone—that is to say, the job of debating the "problem" of unemployment. Though they do not avow it, to their mentality the more conclusive the technocrats' proof that the problem of unemployment cannot be solved by re-employment, the more they (the politicians) are attached to the re-employment principle of dealing with it. The new truth fills them with new hopes, for it assures them that the task of finding work for unemployed workers will, as a by-product, provide work in perpetuity for talkers. What rosier picture could be displayed before an elderly Congressman or Senator who has a son at college training for a career in politics? How comforting to know that when Death beckons him from his last debate he can bequeath to the boy this never-ending ever-lucrative job of discussing ways and means for adapting labour-saving machinery to labour-wasting purposes. The misfortune for the politicians is that other people than themselves are listening in to the technocrats' views and arguments, and are by no means inclined to tolerate the penalties of an unsolved economic problem for the sake of the politicians' exhibitionist hobby. So the latter, being obliged to say something in public on the subject, are adopting the usual devices to which politicians and their newspapers resort in times of difficulty. One is to create new prejudices or fan old ones against the persons directing technocratic research; another is similarly to attack journalists who give the technocrats sympathetic publicity, while a third is to attribute to the technocrats the intention of displacing politicians and undertaking their functions, described comprehensively as "running industry," or "running the country."

In respect of the last-named device, there is some sort of justification for it, because the technocrats explicitly say that under the new system of computing costs which they envisage the functionaries under the existing system will be superfluous. But for the justification to be complete it ought to be proved that the technocrats have declared that, while the politicians as functionaries will be redundant, the functions which they fulfil will still be necessary. It may be that in contemplating the displacement of the political administrator their reason is that they also contemplate the superfluity of the job he is now doing—that is to say, that the new system is, in one aspect, an "administrative-saving" mechanism which automatically disempowers the administrator. We are not

fully informed as to the political ambitions, if any, of the technocrats and their sponsors. All we can say is that if their objective and methods coincide in principle with those of Social Credit they should have realised, and should be able to explain to the public, that the true issue is not whether the politician or the technician should "run the country," but whether the "country" be not given the opportunity to run itself.

The whole basis of regulative administration in the form we know it to-day consists in the fact that there is a perpetual clashing of economic needs which cannot be satisfied at one given time and among all the parties. The rôle of the administrator is to ration distresses. And he must be a quick improviser; for every day brings a fresh turn in the wheel of misfortune, which necessitates a readjustment in the balancing of sacrifices.

#### More Anti-Douglas Criticism.

"The Douglas Credit Hoax" is the title of an article by a Mr. P. Marsden in *The Post* of December 10. He follows the orthodox method of analysing current costs, showing that the figures registering them also register distributions of personal income, and concluding that there is no logical distinction between "A" and "B" disbursements. Briefly, his explanation of how the gap between industry's total disbursements and income-disbursements is filled up is that there is a sort of pool, which he designates by the term "social exchanges," that holds all disbursements until industry delivers its production to consumers—whereupon it reimburses itself out of the pool. Accordingly, all costs are theoretically recoverable from consumers. That being so, the question arises: Why are they largely irrecoverable in practice? The only explanation that we are acquainted with is Mr. J. A. Hobson's—that, of the total disbursements of industry (which, by assumption, are to be regarded as *wholly* consumer purchasing-power) too much goes to some people and too little to others. If we define the first class as "investors" and the second as "shoppers," the proposition comes to this—that the amount of money which investors do not spend on consumption is the amount by which shoppers are obliged to deny themselves of consumables on offer, and is therefore the amount by which sellers fail to recover costs. Applying token figures, if total disbursements are £100, and "investors" and "shoppers" together spend £80, the consumption market is short of £20, and has an unsaleable surplus of that cost-value, against which there exists somewhere else an investment fund of £20. Without taking liberties with Mr. Marsden's picture we can divide his assumed "social-exchange" pool into two pools. We can then set down £100 of costs, and balance them against the shopping pool of £80 plus the investment pool of £20. Next, we can suppose the saleable goods to be sold for the £80. We are now left with an unsaleable surplus, costing £20, surrounding the (now) empty shopping pool, but against this we have an investment pool containing £20. Again, without violating any principle applicable to current investment practice, we can suppose the investors to buy this surplus, not, of course, to consume it, but to re-sell it. Let us suppose the goods in question collected together, taken over to the investment pool and strewn round it. We have now a ring of goods costing £20 each, closing a pool from which the £20 of money has gone, and in which £20 worth of shares has been placed. The money has, of course, not gone to the shoppers, but back into industry after the other £80, and thence to the bank which originally advanced the £100.

Now it is true in an immediate sense that the in-

vesting of the £20 has deprived the shoppers of goods to that cost; but the real cause of the deprivation is not the act of investing the money but the bank's disposal of it when received back in repayment of its loan. The investment "pool" is not a pool, but a sink. And since the investment pool is comprehended in Mr. Marsden's "social-exchange" pool, he cannot make out his case on the evidence of what money goes into this pool. He cannot say that *because* it has gone in as disbursements on consumption products it comes out as reimbursements as and when required by the sellers of those products. But this is what he assumes. Throughout his article he disregards (a) the fact that the banks are tapping his pool, and (b) that in doing so their objective is to bring about the very thing that he says does not happen—namely a shortage of "shopping demand."

All that his proof amounts to is that there are conceivable circumstances in which "B" disbursements could be made to function as effective consumption-demand; or, rather, circumstances in which consumption-demand could be equated with production-supply in spite of inter-factory payments ("B" disbursements). We are not concerned to argue about that. What we challenge is his assumption that these circumstances exist.

We notice that Mr. Marsden does allude incidentally to the fact that there are (and, he could have said, have been) circumstances in which "B" disbursements would not (nor could) take place. He instances the hypothetical case of a man who himself controlled and operated all the processes of production from start to finish. Similarly, Mr. Augustus Baker, in the letter which we discussed last week, has got hold of the same idea in another form, when he says:

"For all that he has proved or illustrated, Major Douglas might have confined himself to a single factory. His illustration has no use and no validity unless the five processes are assumed to cover all the operations necessary for a given product; but if they do this, no other external charges can be postulated, and consequently no deficiency of money is disclosed." (Our italics.)

Very good; but in what way does this invalidate Major Douglas's argument? It simply amounts to saying that in an all-in production-system there can be no such transactions as purchases from outside (occasioning "B" disbursements). This is true of Mr. Marsden's primitive working proprietor; and it would also be true of a national combine embracing all enterprises and run as one business under one accounting system. Assuming the area to be self-sufficing in terms of physical resources, it could be closed, and the combine would make no external purchases or sales.

#### "The New Accountancy."

Now, it happens that we published an article some year or two ago entitled "The New Accountancy," in which such a combine was supposed to have been formed. The object of the article was to consider what principles of costing products would be adopted by a committee of expert accountants supposing they were asked to work out a scheme under which consumers' incomes would always be equal to the combine's prices at any given time. We showed that they would arrive, by applying ordinary commonsense reasoning to the problem, at the same principles as are embodied in Major Douglas's proposals. Our method of doing so was to report an imaginary debate between them. We think we did this fairly—at any rate the article was reproduced in *The Australasian Accountant and Secretary* of October 1, 1930 (a technical magazine published monthly in Melbourne at the price of 1s. 3d.), and

this reproduction was reproduced in THE NEW AGE of January 8, 1931, the reason being that one or two allusive terms and expressions in the original had been altered to accord more closely with Australian experience and conditions. In substance the article was left unchanged, and, so far as we are aware, no accountant has criticised its reasoning and conclusions either in Australia or in this country.

We can imagine critics saying that we made the premises too easy for ourselves to argue from; and in one sense that is true. That is to say, we postulated a condition of affairs where (a) the accountants could survey the whole economy of the area, and (b) the management was in a position to act on their advice without reference to bankers' opinions. The accountants were able to see the *technical problem* and reaching a *defined objective* in its proper perspective; and the reason was that all *external restraint* (moral or coercive) was excluded from our premises. If any critic likes to press the view that our reasoning is invalidated by this exclusion we are ready to listen attentively to what he has to say. For in elaborating his case he will almost certainly make unguarded admissions of the fact that the underlying objection to Social Credit arises from interested political considerations, not from disinterested technical considerations. This is a vitally important fact. For the mass of people—even trained technicians—are in a psychological condition which prevents their distinguishing between the proposition: "This scheme is opposed because it is technically unsound," and the proposition: "This scheme is technically unsound because it is opposed." Now the accountants in the above hypothetical debate were not in that state of confusion. They were face to face with realities—they saw that the combine could not recover charges when customers hadn't got the money to pay them; and they saw also that there was no need for the combine to make such charges. They were able to arrange that the collective incomes of the combine's customers should measure the maximum limit of collective price which the combine needed to recover at any time for all its available output.

Many readers will recall our comments on the smash-up of the Stinnes Trust. They will remember that this Trust was in process of development towards just such a comprehensive, all-in, combine as pictured in the article under discussion. Whether Stinnes was the type of man to set accountants to work out a scheme such as described in our article it is useless to speculate; but it is undoubtedly true that the longer his plans had been allowed to go forward the nearer would his head accountants and technicians have come to a recognition of the practicability—not to speak of the desirability from everyone's point of view—of financing operations on a new principle. Accordingly the banking interests stepped in and broke the concern up into separate companies or groups of such. To borrow Mr. Augustus Baker's phraseology, they said to themselves: "If this Stinnes organisation is allowed to cover all operations necessary for all products, 'no external charges can be postulated, and consequently no deficiency of money' need be 'disclosed.'" In other words, Stinnes "B" have been able, *if he chose*, to eliminate charges from costs, for the simple reason that the transactions which in the ordinary way would carry such charges, would take place inside his organisation without the use of money. And his accountants would have agreed that he hadn't spent—and refraining to charge what he hadn't spent—anyway! To-day, what has survived the Stinnes crash is a number of separate concerns each managed under the control of banking interests; and the effect of their transactions with each other is to keep in existence a mass of "B" cost-records in their

several accounts which, under Stinnes, were in process of elimination. This is not an accident: it is the bankers' objective. It underlies their hostility to what they call "narrow nationalism," and what means (though they do not emphasise it) the impulse of a people to make their own country self-sufficing so far as they can. They preach the "interdependence" of nations, which means in principle that real-credit areas shall not coincide with financial-credit areas, but shall always overlap. In practice it means that at least some dollar-products must enter the sterling-area, and sterling products the franc-area, and so on. In some cases this would have to take place in any event, but in most the necessity for it is imposed by the intrigues of the international money-monopolists. Thus, already hints are being dropped that desirable as the ambitions of the parties to the Ottawa Conference are, namely, to promote trade within the Empire, this policy must not be worked out in an exclusive spirit—opportunities for participation must be kept open for countries outside the Empire—especially the poor old United States, who is asking herself: What doth it profit a country to feed the whole world and lose its own dinner? "You can make your Empire a single financial-credit area—you can have an Empire currency if you like—but you must not attempt exclusive co-ordination between Empire-credit and Empire-economy. There must be none of this 'Stinnes' business about your Empire-building."

Only a fortnight ago we were pointing out that the hydrogenation project was ruled out on the ground that although it had been proved that Britain was able to make her own petrol, the cost looked like exceeding, in the long run, the cost of continuing to import it. (Of course in a physical sense it is better for Britain to acquire petrol without destroying coal in the process, for importation means an addition to resources, while manufacture means only conversion of resources: but we are not discussing the matter from that fundamental standpoint.) The argument as to cost was based upon an estimate that to manufacture 200,000 tons of petrol yearly a plant would have to be built costing £7,000,000. The plant would have to last ten years, so it was said, in order to bring the price of the petrol to a figure comparable with that of the imported product. The price calculated out on this basis came to 9d. per gallon. The present cost of imported petrol is 5d. plus duty 8d., totalling 13s. 1d. This shows a saving of 4d. per gallon on home-manufactured petrol provided that no excise duty is levied on it. These data were given in Mr. Tizard's letter to *The Times* of December 10. He stated that interest at 5 per cent. on borrowed capital would work out at 1½d. per gallon. On this basis one can roughly calculate that depreciation charges, which would have to average 10 per cent., would account for another 3d., making 4½d. per gallon for debt-service. Thus it is seen that, even supposing no other items in the estimated cost of 9d. were for financial service, the direct charges of producing the petrol come to less than the cost of the imported petrol. Of course your professional financier will point out that we are not entitled to compare only a part of the home cost with the whole of the foreign price. Nor are we if the merits of the hydrogenation scheme are to be judged according to orthodox financial criteria of soundness. But we are not concerned to do so. We are concerned with scientific criteria of soundness. And in that frame of reference we affirm that whereas in respect of petrol produced in another country the price to be paid has to be the full price, the price for petrol produced in this country need not be the full price nor anything like it. This affirmation rests on a fundamental axiom of Social Credit that the construction of plant is automatically paid for through the inflation accompanying the disbursements of

the costs of the construction. The people who pay are the general consuming public in the credit-area where the construction takes place. There is, therefore, a logical reason for distinguishing between prices of imports and prices for home-production. For in the case of, let us say, American construction, the cost of it having been borne (in the manner stated) by the American public, it would not be a just proposition for British importers to say: "Here! The financial costs of your plant have already been recovered; so you ought not to make any charges on that account in your price to us." The obvious retort of the American exporter would be: "The costs were not recovered out of you," and this would invalidate the proposition. But for that very reason the proposition would be just when it referred to the price of home production to home consumers. For if they paid the full price they would be paying some portion of it twice over, whereas, in the case of imports, they would not; they would, in form, be replacing costs which had been originally extracted from the American public. (Whether the American public would be allowed to have the money is another story which does not affect our present reasoning.) And so, with regard to petrol it is one thing to pay abroad, let us say, 2½d. for the petrol and 2½d. for pipe-lines, tankers, and other constructional items made abroad, but an entirely different thing for the public to pay 4½d. for home-made petrol and 4½d. for the home-made plant which makes the home-made petrol. The only people who could justly be asked to pay the full 9d. would be foreign importers.

If students of Social Credit (and what we write is not likely to be convincing to others, nor is written for that purpose) will reflect they will recognise the direct bearing which this analysis has on international competition to push exports out into world-market. It is true that the several competing "capitalisms" know nothing of what we are talking about, but they are acting precisely as if they knew it all—as if they had been saying to themselves: "Only the foreigners ought to pay our overhead costs, and only the foreigners can pay them if anybody can." This magic "world-pay them" on which they confusedly rely to put their practical sums right corresponds to Mr. Marsden's fatalistic "social exchanges" on which he confusedly relies to put his theoretical sums right. Eternal vigilance is the price of sanity nowadays; and compassed about as we all are by clouds of imposing witnesses to the glory of the maths, and of maxims of Lotos Land, it seems a marvel that any of us keeps his head, let alone people like Mr. Marsden and Mr. Baker, whose attention to Social Credit, as it seems to us, is intermittent and perfunctory.

#### A Spurious Inquiry.

"Is Douglas Sound?—State Statistician to Inquire." These are headlines to a report in the *Daily Telegraph*, Sydney, Australia, dated November 12, and refer to an undertaking, given on the previous day by the Assistant Treasurer of the N.S.W. Government, Mr. Spooner, to a Social-Credit Deputation who asked for an inquiry into the subject. A verbatim report of the proceedings is published in *The New Era*, dated November 17. The Social-Credit deputation thanked Mr. Spooner—but what on earth for we cannot fathom. To begin with, there is no clear common agreement as to what shall be inquired into. Mr. Spooner remarked that various "expositions" of Social Credit have "not always thoroughly agreed with the publications of Major Douglas, and therefore the system has perhaps departed to some extent from the views originally



severing effort, and accelerate our progress along the road that leads to prosperity and better times. Courage, initiative, and hard work are called for. The Government can be depended upon to do its utmost to smooth the way."

Optimism every time. We have seen how the optimism of the past was completely unjustified, and in my opinion the fresh optimism that is now being put forward is equally unjustified. I propose to deal with that matter in a moment. The Prime Minister suggests that what is called for is courage, initiative and hard work. I suggest to the Rt. Hon. Gentleman that that is not enough. There are at least two other factors that must be brought in—there must be knowledge and wisdom. Undirected courage and undirected hard work can do a tremendous amount of damage. The reason why I cannot offer to join the Rt. Hon. Gentleman in his optimism is because I can see no sign whatever, in this country or in any other country, of a determined effort to get to the root of the problem that is before us. I wish to refer to a remark which was made by the Rt. Hon. Reginald McKenna in London on June 30 last. He said:—

"Unfortunately most people have been content to regard these problems as exclusively the business of money market experts. They are wrong, however, in thinking them to be no concern of theirs. Monetary policy has a powerful and direct influence on the prosperity of each one of us, and if it is misdirected no one escapes the consequences. With falling prices the rich become the prey of the tax collector; industrialists and traders see their profits dwindle to nothing, and salaried officials and wage-earners not only suffer economy cuts, but a very large number are deprived of the opportunity of earning a living at all. Adversity, as ever, is the best schoolmaster. Unpleasant facts are at length bringing home to everyone the close connection between monetary developments and our own individual welfare."

There is no attempt, as I have said, to deal with the core of our economic troubles. Consider, for instance, the question of taxation, referred to by Mr. McKenna. We have it on the authority of the Minister of Finance that the national income in recent years has fallen from £150,000,000 a year to £90,000,000 a year. On the previous figure the total tax collected was £24,000,000, representing 16 per cent. of the national income, whereas the latest proposals, on the £90,000,000 income, take £26,500,000, representing a percentage of 29, an increase in taxation from 16 per cent. of the national income to rather more than 29 per cent., and that is without taking into consideration the Supplementary Estimates that are to be brought before us. There are a number of points that I wish to put before honourable members for consideration. The first is this. How are the present difficulties in this and in other countries to be overcome? There are three main ways, I suggest, and they are the three ways set out in the "New English Weekly." There is first of all a deliberate policy of waste and sabotage in all productive activities. That is a policy that is now being put into operation in certain directions, and was advocated at the Ottawa Conference, I believe, by Mr. Neville Chamberlain. The institution of quotas is part of that policy, the idea that as a matter of international and Imperial policy there shall be a general destruction of production activities. That is one method of dealing with the situation. The second method is war on a large scale, and the third is the creation of credits and restoring monetary systems. These are the only three methods by which the major economic problems of this and of other nations can be dealt with. There are no other methods of dealing with them, and the most disturbing thing is that the nations of the world at the present time seem to be wavering between the first and second of these methods, ignoring the possibilities in the third altogether. The methods that are receiving attention are first the deliberate policy of destruction, and then the alternative of war. Some years ago the Government of this country was called upon to make a decision. It was faced with a not unexpected shrinking of our monetary system here, and it had to make a choice of two roads. It could on the one hand force, squeeze, cabin and confine our national organisation into a deficient and shrinking monetary system, or in the alternative it could make the monetary policy of the Dominion fit the national requirements. It decided to adopt the former course, to adopt the course of squeezing the national organisation into the bottleneck of the shrinking monetary system. As soon as the Government of the day adopted that course, as soon as it started to pursue that path, I realised I could not support it, and my reasons were twofold. Firstly a policy of that description involves the application of the squeezing process to a number of sections of the community having different powers of resistance. That is to say, it is not practical to exercise that squeeze with equality of effect. We know quite well, for we have seen it in our experience

here, that it is quite impossible to apply that squeezing process to certain sections of the community. I refer, for instance, to the financial institutions which have money out at call. They could not be dealt with in any way, and other sections of the community seem very difficult to deal with. One Minister informed us that there are at least £30,000,000 out at call that could not be dealt with. But whether they could be dealt with or not, we have to recognise that we have it on the authority of a number of people whose opinions are to be given due weight that the course adopted by the Government is a very bad one. The National City Bank of New York says, for example, that this policy leads inevitably to the bottom, and the bottom is a state of barter, because in the process we are destroying the very thing we want to maintain, the taxability of the people. The bottom of that road, says the most conservative banking institution in the United States, is "a state of barter." Mr. Winston Churchill put it in a rather more picturesque fashion. He said that the end of that policy "is a bleak and ferocious barbarism." We can see it for ourselves. At the bottom of that road is bankruptcy and chaos. The Prime Minister suggests that we can balance our Budget in 1934. Yes, and at the end of the road we will be able to balance not only the National Budget, but all individual budgets, by writing a cipher on both sides of the ledger. There is no solution to be found along those lines. And there is another reason why I find it impossible to support that idea, and that is that the carrying out of such a policy necessarily means the bringing of every form of contract under review and varying the terms of those contracts not once but many times. We have already a Mortgage Relief Act and three amending Acts; and we have seriously undermined, if not already destroyed, the whole idea of sanctity of contract. Is it possible, I ask our honourable members, to conceive an ordered society where there is no idea of sanctity of contract? I hold that our social organisation is built upon sanctity of contract. Yet this Government has chosen to follow a course which is absolutely destroying it. The time is not far distant when sanctity of contract will have no meaning whatever; and I suggest that the Government by the policy it has adopted is doing more to break down our social organisation and bring about bankruptcy and chaos than any propaganda that ever came from Russia. There are these two very powerful reasons why I find it impossible to go down that path, particularly as the alternative path has never been examined. But I fully admit that if there is no alternative we must simply grit our teeth and take whatever is coming. But I suggest that there is an alternative. We have any amount of authority for saying that there is an alternative to the terrible, devastating policy that the Government should be mastering. That alternative is that the Government should be master in its own house—master of not only the Army and the Navy and so on, but controlling also the monetary system and policy of the country and bravely and courageously dealing with that monetary system to make it fit the legitimate requirements of the trade and industry of the Dominion. I have in my hand the "Hansard" pull of three speeches delivered in the British House of Commons on April 20 and 21 last. I was particularly struck with the concluding words of the speech delivered by the Rt. Hon. Sir Robert Horne. He said:—

"It appears fantastic to think that the question of currency can have such an enormous effect upon the life of peoples, and that such a device as the medium of exchange can exercise so great an influence upon the fortunes of mankind. It almost seems as if man had created a Frankenstein which would now destroy him because he had lost the key to the mechanism. But let the historian speak upon this matter Sir Archibald Alison points out in his History of Europe that what ultimately brought about the fall of the Roman Empire was the lack of that specie which they had been accustomed to get from the mines of Spain and Greece. In that picture I think we may see some of the features of the present situation, and perhaps it is well that we should be warned by the historic sequel. Rome, as everyone remembers, plunged into the abyss, taking much of the world with her, and for many generations thereafter the world existed in the dismal twilight of the Dark Ages. There were no people as complacent as to think that the world will always be all that kind of trouble and that the world will always be all that kind of trouble and that the world will always be all that kind of trouble, and they are content to stand idly by and do nothing to prevent such catastrophes. But believe me, there is nothing in human nature or in history to justify any such complacency. The world can only be saved by the most intense, immediate, persistent, broadminded, and far-sighted of the statesmen who are charged with the destinies of the nations."

That is the charge that we have on our shoulders as members of this honourable institution.

(To be continued)

## Australian Notes.

The Alert, of November 3 (a paper circulating in the districts surrounding Sydney) gives a long report, together with the reporter's impressions, of a mass meeting held at the Excelsis Theatre, Camisic, on the previous Sunday night, which was addressed by Mr. C. Barclay Smith and other exponents of the Douglas Proposals. The size and demeanour of the audience, and the quality of the speeches, combined to make a profound impression on the reporter. "People might not notice it," he writes, "but, nevertheless, a distinct epoch has been reached in our political history."

"Never before," he continues, "would it have been possible to have assembled such an audience to discuss what all regard as the driest of dry subjects."

One of Mr. Smith's most impressive declarations was as follows: "Our civilisation may crumble, but the march of human progress goes on. A new life will grow out of the old. It is not the death of civilisation—we are throwing off an outer husk."

The whole of Mr. Smith's address was devoted to the exposition of broad principles, and was delivered in a serene and lofty tone.

The reporter's impressions are reproduced below.

A line of closely parked motor cars stretching for hundreds of yards on both sides of the Excelsis Theatre, Camisic, on Sunday night last, suggested that something out of the usual order of things was on, but, on entering the theatre itself, "The Alert" scribe was astonished to see the large building nearly fully occupied by men and women who were following with the closest interest utterances which fell from the speaker's lips.

People might not notice it, but, nevertheless, a distinct epoch has been reached in our political history. Never before would it have been possible to have assembled such an audience to discuss what all regard as the driest of dry subjects.

For over two hours a crowded audience sat and listened with the closest attention to lectures delivered by Mr. C. Barclay Smith, Editor of "The New Era," and other speakers, on the Douglas Social Credit Proposals.

The extraordinary depression which hangs like a black cloud over the land has caused many to think and feel that the more we produce the poorer we become. The citizens who filled the Excelsis on Sunday night were thoughtful, earnest men and women, who sought information. Less than twelve months ago an earnest band of men and women—volunteers all—began to spread the economic truths enunciated some few years ago in England by Major Douglas. The ever deepening depression has made men and women think, and it is being slowly realised that the poverty now facing millions is not by any means the result of famine caused by drought.

The simple, plain, undeniable fact is that science and invention applied to agriculture and the manufacturing industries have increased man's power to produce a hundredfold. The whole world is positively glutted with everything man requires.

While our monetary system has stood still the industrial system has been revolutionised. We are sunk in poverty because we have produced so abundantly.

In the midst of plenty we are all in need! Driven to desperation with their families broken and scattered, good men and women are hurling themselves under trains or jumping from the Harbour Bridge. We have solved the difficult problem of scarcity. We fill the land with milk and honey, but have not learned how to distribute them. It is gradually soaking into the mind of the public that the world's great advance has been lopsided. We concentrated upon production and overlooked distribution. Man created machines which enormously multiplied the world's wealth and put himself out of work.

The distribution of goods can only be effected by exchange and credit facilities. Not deliberately, or as a matter of policy, but through carelessness and apathy we have permitted groups of private individuals to take over the control of credit. What properly belongs to the Crown—to the people—National credit, has been gradually, but surely, taken over by the banks.

Australians had the genius to conquer a vast continent in a century, and by their incomparable courage and industry to develop all the wealth it now contains. It is the people themselves who create all the credit that exists, but the control and the issuing of that credit is not vested in the people through its Parliament, but in a group, or groups, of private

individuals, to whom Parliament has to appeal to be given what properly belongs to itself.

If the present system is right, why has it so hopelessly broken down?

The rapid transformation in industrial methods has thrown the monetary system out of gear; those in control have slept at their posts; they failed to note the gigantic changes in industrial methods; mass production left them unmoved; they face a world entirely changed, and made no provision for it, and they are not yet making any; their monetary system has proved itself wholly inadequate; the world has leaped ahead, the banks have lagged behind; the banks—self-sufficient—are acting as if they believe the world will come back to them. Steeped in conservative tradition, the banks refuse to budge, and engage the services of profound professors to try and prove that black is white.

A depression that has been artificially produced takes some explaining away. Australia was bound to suffer for the over-readiness of her paltry politicians to put the country in pawn, but Australia is not in any way responsible for the deliberate deflation abroad which heralded the collapse in the value of our exports and brought Australia face to face with ruin.

In the fight for economic liberty Australia might lead the world.

The money power is great and well entrenched, but so was Germany's military strength, concentrated in the Hindenburg line, powerful beyond belief, yet the resourcefulness and the sublime courage of Australians smashed the key of that position at Mont St. Quentin.

The revolt against those who have so sadly mishandled the monetary system comes from those whose business capacity and knowledge of banking is better than that of the bankers themselves.

Expounders of the Douglas Credit System do not rely upon the art of the orator; they do not seek to inflame the emotions or appeal to the prejudice of unthinking people; their crusade is an educational one, they ask simply that their proposals be examined.

You are not asked to buy a button or a badge or become a member of anything.

You are just asked to think the matter over, quietly, for yourselves; your intellect is appealed to; the lesson is being taken to heart—light meals induce concentration and clear thinking. The depression which has thrown a flood of light on the monetary question will undoubtedly result in the restoration of the credit of the nation to the nation itself.

## The Films.

### Films of the Year.

Cinema history in 1932 is easy to summarise. British films, almost without exception, have suffered a progressive deterioration as their box-office value has increased, and are to-day unworthy of the slightest serious regard; during the second half of the year American pictures have also shown a tendency to fall off; travel and nature films have in every instance been ruined by the most inept attempts at accompaniment characterised by the most inept attempts at humour; the Swedish screen has been restored to life; Germany has again done such good work as to challenge Russia; many have had a new René Clair; and in "Mädchen in Uniform" Leontine Sagan has made a really great picture. To come to individual pictures. "Mädchen in Uniform" is my selection as the best film of the year, the most completely satisfying alike in acting, direction, theme, and treatment, and the best talkie I have yet seen. I would give second place to "A Nous la Liberté"; Clair has, it is true, done more robust work in "Sous les Toits de Paris," but the strength of "A Nous la Liberté" lies in its combination of brilliancy of technique, wit, satire, lightness of touch, and essential cinematic quality. It is much easier to pick the two best than the ten or twelve best; my selection, which I do not profess to set out in order of merit, is "Kameradschaft," "Westfront 1918," "The Doomed Battalion," "Melody of Life," "The Blue Express," "Sun-Battalion," "Melody of Life," "The Blue Express," "Sunshine Susie"—the best English film of the year and the best English talkie made—"Der Hauptmann von Koenig," English talkie made—"Der Hauptmann von Koenig" is one of the wittiest pictures that has ever come from a German studio, "The Road to Life," "Gentleman for a Day," "Once in a Lifetime," "M," and "The Blue Light." It is obviously impossible to attempt to draw up a table of precedence for such a mixed assembly, and some of the films I have mentioned, such as "Once in a Lifetime" and "Gentleman for a Day," are included because they are out of the ordinary, while I select "The Blue Express" for its technique and its sincerity, "The Road to

Life" for its interest, and "Melody of Life" as a noteworthy example of the very best type of commercial picture, which combines admirable entertainment with distinct claims to aesthetic merit.

More or less in the category of "The Melody of Life" come some other American pictures—"Over the Hill," "Waterloo Bridge," "Two Seconds," "Justice for Sale," "The Beast of the City," "The Guilty Generation," and "The Mouthpiece," all of which have the merit of dealing convincingly with ordinary everyday people, in contrast with the Elstree formula of depicting the superficial emotions of lay figures. "Scarface" and "The Wet Parade" should be added, but, as I pointed out when they were first shown, these two films would have been more effective if they had been presented six or twelve months earlier. As it was, Hollywood had already done so much in the way of gangsters and racketeers, that the cream had been skimmed off this particular type of production.

Two of the best pictures shown during the year—both German and presented at the Academy—do not belong to 1932, but to the silent era. These were "Martin Luther"—previously shown at the Avenue Pavilion—and "Mutter Krausen," an outstanding production, than which no film has ever succeeded in depressing me so greatly. The Academy also gave London the delightful "Barbarina" and the Swedish "En Nat." Another interesting, but not very remarkable, Continental film was "Fra Diavolo" at the Rialto. "As You Desire Me" was among the interesting pictures of the year, as was "Street Scene," also American. Both attempted to transfer stage plays of distinction to the screen; the endeavour was the more successful in the case of the Pirandello play.

"Grand Hotel" was the most adroitly advertised film of the year, and is the apotheosis of the star system to date. Despite the bouquets that Vicki Baum is said to have thrown at the production, it distorts out of all recognition the central incident of the novel, and provides Greta Garbo with a triumph of miscasting. For that the producers were responsible; the responsibility for Miss Garbo's completely unconvincing impersonation rests between herself and the director.

Miss Garbo also appeared in one of the year's worst films, "The Rise of Helga." Among the other worst were "Frankenstein," "Murders on the Rue Morgue," "Roar of the Dragon," "Vanity Fair," "Say it With Music," "Rich and Strange," "The Last Coupon," "Men Like These," "Arms and the Man," and "The Strange Case of Mary Deane." My choice for the very worst is "Vanity Fair," but this American production leads the English "Rich and Strange" by only a short head.

Finally, we had in pure film Ruttman's "In der Nacht," and the exquisite "musical abstracts" by Hans Fischinger, especially "Lichtertanz," which takes only a few minutes to show, and should really be included among the four best films of the year.

There are certain omissions from my list. I have not yet seen "Rasputin"—the German picture, with the American, which has still to be shown—or the much-boomed "Rome Express." And I have purposely avoided most of the Paramount productions, including the Marlene Dietrich and Lubitsch films. As Paramount made "The Strange Case of Mary Deane," I do not think I have missed very much in the way of masterpieces.

One of the year's disappointments was "Tempest," now at the Rialto, which I hope to review next week. Pabst's "Atlantide," also a disappointment, was dealt with last week. Finally, let me exempt "Kamet Conquered," which has been revived at the Polytechnic, from my general criticism of travel pictures ruined by incessant yapping.

DAVID OCKHAM.

#### MEETING NOTICES.

Arrangements are in hand for a Public Meeting to be addressed by the Marquis of Tavistock at the Ashton-under-Lyne Town Hall, January 12, 1933, at 7.30 p.m. Subject: "Poverty and Over-taxation: The Obvious Cure." Free admission. Reserved seats, sixpence. Arthur Clarke (Hon. Sec.), Ashton-under-Lyne Douglas Social Credit Association, Rhydal Mount, 149, Cheetham Hill-road, Dukinfield.

A Public Lecture with 70 pictures, "The Great Slump: How it Has Come: The Tragic Absurdity of it, and the Quick Way Out." Arranged for as under at:—

Fircroft College, Bournville, 8 p.m., January 16th.  
Presbyterian Hall, Stourbridge, 7.30 p.m., January 17th.  
Priory Rooms, Birmingham, 7.30 p.m., January 18th.  
St Gregory's, Small Heath, Birmingham, 8 p.m., January 19th.

The last three under the auspices of Social Credit Groups. Lecturer: Philip T. Kenway (a "Green Shirt").

## Reviews.

**Theory of the Credit Standard.** By Hans Glückstadt. (P. S. King and Son. 15s.)

I confess that this book has me beaten, and I am handing it on to another reviewer, in the hope that he may understand what it is all about. S. R.

**The Functions of Money.** By Leonard Alston. (Macmillan. 5s., net.)

The author is University Lecturer in Economics, Cambridge. He here "describes afresh for the non-academic reader the English monetary system," avoiding as far as possible "the phrases of accountancy or the vocabulary of economic theory."

It is an outline of the English monetary system that may be of special interest and use to students of Social Credit. J.

**Britons in Partnership: A Simple, Reasoned, Rational Plan.** By L. St. Clare Grondona. (Lovat Dickson, Ltd. 3s. 6d., net.)

This book is "A Programme for the Rational Development of the British Empire," by the author of "Empire Stocktaking." We are told that "it is supremely illogical that we should have vast areas of idle, deteriorating lands (at Home and in the Dominions) capable of yielding nearly all our needs, while we import hundreds of millions' worth of foreign products—providing employment in foreign countries—and at the same time maintain millions of our own men in demoralising idleness." The proposals outlined in this work are intended "to make profitable, and to extend farming in Great Britain and in certain Overseas Empire countries, under the auspices of Chartered Companies operating in partnership on an unprecedented scale." Some idea of "what could be done with the rational investment of fifty millions annually (at Home and in the Dominions) by organised private enterprise—with the Government's background support" is described.

For the word "Government" read Bank of England. Part of this Empire Plan is "steadily and surely to break the back of the Unemployment Problem."

How many more times the Unemployment Problem (sic) is to be "cured," "solved," and have its "back broken," it is impossible to say. Every day some new planner puts everything to rights (by writing a book), and every day the one and only problem presses more and more heavily. There is no Unemployment Problem. There is only a Money Problem. J. H.

## LETTERS TO THE EDITOR.

### CRITICS OF THE "A + B" THEOREM.

Sir,—I was interested to read your criticism of Mr. Arthur Woodburn's article in "Plebs" on "Douglasism or Socialism."

May I state that he never got to grips with the A+B Theorem. If Messrs. Woodburn, Biddulph, Cole, Hobson, Montague, and other contradictory exponents of "Labourism" were in touch with realities they would know that the overwhelming majority of "Labourites" readily accept the A+B Theorem when explained by a Douglasite. Our main difficulty is to get people to think out the logical implications of the theorem. None of the gentlemen I have named dare meet any representative Douglasite in open debate on A+B. It is time this was "rubbed in" by our supporters. A. CUNLIFFE.

4, Mosley-road,  
Towneley, Burnley, Lancs.

### PROPHECY AND FULFILMENT.

Sir,—In your issue of August 27th, 1931, you published what you called a Mathe-mystical Forecast received from me in a letter, dated August 15th, 1931. The statement was the outcome of research into the Biblical and Ancient Egyptian Messianic prophecies. It read as follows: "August 23rd, 1931, is the commencing date of a 286-day period which ends June 4th, 1932, during the whole time of which the displacement of Church and State as the Governing Christian lights of this country will be taking place. By June 4th, 1932, the position will be complete, and will remain so for 34 years, i.e., until December 4th, 1935."

By now it should be abundantly clear that the present money-power is purely anti-Christian.

Let me now show from past events how the part of the prophecy given has worked out so far as is known at present.

On August 23rd, 1931, which was a Sunday, Mr. MacDonald and his Cabinet (i.e., the central Cabinet of the world's greatest Christian Empire) were frantically engaged discussing a deficit of a paltry £13,000,000. The King

had specially returned from his holiday in order to be in London during this momentous meeting, which resulted in the collapse of the Government at the hands of the money power. This was followed by a general election, whereat this Christian (?) nation was stamped by the same power waving mark symbols of fear into electing a set of candidates who, upon the second date given, i.e., June 4th, 1932, authorised the signing of an agreement to resume the American debt payments.

The debt payments up to that date were under the Hoover Moratorium. Since my first letter I think I have sent you another giving a further date, viz., November 27th, 1932, another Sunday, but you did not publish it.

On the latter date you will remember the Cabinet again held an extraordinary Sabbath meeting, the outcome of which was a note to America asking for remission of the payments.

The money power again said NO. The participation of the Church as the second light in all this I am as yet unable to define.

We must do as we were told, "Watch and Wait!" The next date in the prophecy is January 31, 1933, on which date the conception of a Theocratic state as the way out and the idea of the Kingdom of Heaven ON EARTH begins to germinate within the Church as you defined it, recently, and also to dawn in the State.—I AM, yours truly, RALPH EDMONDS.

### THE LEISURE SOCIETY.

Sir,—With reference to the statement in THE NEW AGE for December 22nd that there are only two Social Credit bodies, the New Britain Group and the Kibbo Kift, will you permit me to draw the attention of your readers to the existence of a third such organisation? The Leisure Society (address, BM/Leisure, W.C.1), while not calling from its members obligations such as those of the K.K., nevertheless stands definitely for the advocacy of the Douglas Social Credit Theorem.

While not shirking discussion on the purely technical side, the Society rather concentrates on the moral issues involved in the acceptance of the Theorem, as its members feel that this course will help to prepare the public mind for its adoption. The London group holds monthly meetings, on the second Tuesday in each month, for discussion and for co-ordination of activities: it has organised successful public meetings, and is publishing a small duplicated magazine, *Leisure*; it is run by a Central Committee elected by its members; it has an auxiliary Hiking and Camping group which is useful in developing a corporate spirit among its members, and in making external contacts, and which, among its other functions, holds periodical indoor evening meetings of a social nature. Inquirers are always welcome to any of the Society's activities. I. O. EVANS.

## Events of the Week.

(Compiled by M. A. Phillips.)

December 17.  
Arrest of Tom Mann, Communist leader.  
Further big slump in wheat prices.  
Coal rises by 1s. per ton in London.  
Lady Snowden complains of her "dismissal" without notice from B.B.C. Board.  
£ rises to 3-30 dols.; share falls; Bank of England buys dollars to keep £ from rising too much. Gilt Edge fall and Treasury Bill rates rise.  
Cotton operatives accept more-ooms-per-weaver system.

December 19.  
M. Paul-Boncour forms new French Ministry following failure of Radical Socialists to do so; M. H. Cheron appointed Finance Minister.\*  
New Zealand offers to resume debt payments to Great Britain.  
Montagu Norman visits Paris.  
Tom Mann goes to prison.

December 20.  
"Tote" clubs declared illegal; Home Office to enforce law.  
Hoover defies Congress; states re-consideration of War Debts essential.  
Hunger marchers attempt to present anti-Means Test petition to Commons. Procession dispersed by police, and deputation, after getting into House, are refused attention.  
Tram men's pay cut to be restored.

\*Correction to Note for December 15, THE NEW AGE, December 22, 1932.

December 21.  
Police take prompt action in "Tote" club case. First club raided, and names of members taken.  
No increase to take place in German taxation this year; Amnesty for political prisoners.  
M.P.s attack loan to Austria.

December 22.  
Coal quotas to be increased.  
Aftermath of the Lloyd George demand for publication of War Debt Cabinet minutes; Lord Hailsham warns ex-Ministers that publication of secrets is a criminal offence.  
Viscount d'Abernon resigns from Racecourse Betting Control Board.

Hugenberg (leader of the German Nationalist Party) wants moratorium for German commercial and private debts.

Roosevelt refuses to co-operate with Hoover on War Debts question. Owen D. Young and Bernard Baruch appointed as his advisers in this matter.  
Bank returns: Reserve down to 18.1 per cent. from 33.3 per cent.; gold stocks reduced by £20,000,000; no increase in Bank Rate.

December 23.  
Cabinet secrets—Lloyd George defies House of Lords. Glasgow unemployed riots, many police injured.  
Hoover shelves Debt question.

December 24.  
Shah of Persia dismisses Timour Tache, minister responsible for handling of Anglo-Persian oil dispute.

South African Cabinet crisis over gold standard. No further cut in teachers' salaries likely.  
Coal quota blamed for unemployment amongst coal-miners.  
More trouble at Chelmsford Prison.  
India Round Table Conference over.  
German banks and finance houses form two new organisations—(1) German Industrial Development Co.; (2) Bank Debt Amortisation Co.—for reflation (cf. U.S.A. recently).

December 27.  
Roosevelt sends "secret" debt commission to Europe. Budget deficits: U.S.A., £200,000,000; France, £200,000,000 in three years; Belgium, £30,000,000; huge "economies" and wage cuts of Civil servants to be made; Japan, £100,000,000, yen falls to new low record level.  
U.S.S.R. announces change in agricultural policy, owing to refusal of peasants to co-operate in mass farming plan.

December 28.  
South African Cabinet imposes restrictions on gold exports, etc.; equivalent to leaving the gold standard.  
£ equals \$3.33; profit on Exchange Equalisation account stated to be £18,000,000.  
Greece refuses to extradite Insull.  
Uruguay-Peru war continues.  
American Federal Budget (does not include social services, etc.): Defence, £305,000,000; public debt, £280,000,000; total, £850,000,000.  
More barter schemes between Russia and Canada.

December 29.  
South Africa off gold standard, but South African £ pegged at 69 to the £100 sterling. Mines refuse to sell gold to the banks at current price (84s. per oz.).

More riots in Berlin.  
Free Churches' protest at imprisonment of Tom Mann and Llewellyn.  
Persia buying armaments from Great Britain.  
Riots in Bulgaria.  
French finance supports new Austrian loan.  
Attempt to combine all Irish opposition to form "non party" Government to defeat de Valera.

December 30.  
Labour Party protest at imprisonment of Tom Mann and Llewellyn. "Daily Express" also protests at imprisonment of Mann and Llewellyn.  
Collapse of South African exchange—rates not quoted. Union now definitely off gold. Run on many banks.  
Bank of England reserve falls to 16.8 per cent.  
British Canadian loan of £250,000 to Newfoundland to meet the latter's interest on external loans.  
Bankers' commission to put Newfoundland's finances on a "sound" basis.  
Financial and political crisis pending in Belgium. (? to go off gold soon.)

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