THE
NEW AGE
INCORPORATING "CREDIT POWER."
A WEEKLY REVIEW OF POLITICS, LITERATURE AND ART

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NOTES OF THE WEEK.

Financial Camouflage.

The last time when we indulged in the use of heavy type in these " Notes " was on August 20, 1931, when we quoted the Dean of Winchester's famous observation, apropos of the Australian crisis, that the banking institutions were " *an effective Second Chamber.*" We now indulge again, this time in respect of passage in an address by Mr. Benjamin M. Anderson, Jr., Ph.D., Economist of the Chase National Bank of the City of New York, delivered before the Forum in Investment Banking at the New York Stock Exchange on November 10, 1932, and reproduced in the " Chase Economic Bulletin " (New York), No. 3, dated November 10, 1932. This is what Mr. Anderson said:—

I have gone at length into this matter of the gold standard because I do not want any ghosts to haunt us at a later time. We must clear the record now, and, for the sake of this same record, I want to emphasise another point. The American people do not believe in fiat money, and the elected representatives of the American people are not going to give us fiat money legislation. They may flirt with disguised unsound expedients, the dangers of which are not obvious to them, as in the Goldsborough Bill, which was passed through the House of Representatives by a big majority of both parties.

They ought not to have passed this, but the trained technicians in the Senate very effectively squelched it, not even letting it come to a vote.

But, when it comes to undisguised fiat money measures, like the bonus bill which the House passed last spring, which proposed to issue over 2,300 million dollars of Federal Reserve notes to pay the veterans' bonus, the case is different.

The House would not have passed that measure if they had not known that the Senate would kill it. The House does that sometimes. It is easy to " pass the buck."

But the old Senate rose magnificently to the emergency, and by a splendid bi-partisan majority of 62 to 18 they gave it a definite quietus.

Bonus agitation, and even bonus legislation, will have to be fought again in all likelihood, but I do not believe that the advocates of the bonus are going to handicap themselves again by a fiat money complication. Congress is not made up of saints. There are men who will make demagogic speeches in Congress, men who will " pass the buck," men who will avoid issues if they can. But the great majority of members, both of the House and of the Senate, are patriots, and, when a clean-cut issue of the credit of the Government or the soundness of the currency, or any other basic, fundamental, national interest is before them in unmistakable form, I am not afraid of them.

When our friends, the Yanks, take us into their confidence, they do the thing handsomely, eh what? We need hardly stress our advice to speakers and writers on Social Credit to put this quotation in their notebooks. The reference to " technicians in the Senate " comes as an opportune reminder that " Technocracy," in its etymological significance, is not a vision, but an actuality. We pointed out in our issue of March 26, 1931, how Sir Henry Strakosch had been suggesting, in his speech to the British Engineers' Association, that engineering and banking were functions of each other, and that their respective techniques were based on equally exact and demonstrable scientific laws. " We engineers," said he in effect, " are accustomed to measuring things "—the financier using money as a standard, just as engineers would use pressure-gauges, volt-meters, speedometers, and so forth. This was a subtle insinuation that, just as an expert in applied physics was entitled to say the last word on the physical limitations of achievement, so was an expert in applied finance entitled to the last word on monetary limitations. There was no question of political obstruction to scientific enterprise; it was simply a question of cold scientific collaboration between two groups of experts, each the repository of specialised knowledge of a particular phase of natural law. We suggested of Sir Henry's speech on the occasion mentioned that it reflected the intention of the bankers to forestall the policy of Social Credit advocates, which was to induce authorities on the principles underlying applied science to endorse the principles underlying Douglas's system of applied finance, and therefore to reject the principles underlying orthodox finance. Banking, as practised by the bankers at present, is not a science, but an art—the art of getting their own way. And since no trained scientist would, if he knew it, allow any weight to a non-scientific criticism of what he proposed to do, it was necessary for the bankers to base their claim to be consulted on the ground that they were scientists—leaving it to be inferred that because Douglas challenged their procedure he was a non-scientific busybody. Possessing the monopoly of the means of getting their own way the task was easy; and its accomplishment is illustrated, on the one hand, by the action of a particular body of engineers who cancelled their own spontaneous invitation to Major Douglas to address them, and, on the other, by the invitation issued on behalf of the British Engineers' Association to Sir Henry Strakosch, and duly accepted and fulfilled without any just cause or impediment being raised to his union with his brother-engineers. Codlin was the friend, not Short; and the "proof" that Short lacked the scientific credentials of Codlin was that Short got gagged while Codlin was presented with voice-lozenges.

Sir Henry Strakosch's speech took place on March 12, 1931. About three months previously, namely, on December 3, 1930, took place the famous Lotos Club Dinner to Mr. Owen D. Young in New York. At that Dinner was Mr. Benjamin M. Anderson, Jr.—the same Mr. Anderson whose candid remarks we have quoted above. He spoke on that occasion, and here is a passage whose resemblance in substance and tone to the Strakoschean sentiment is close enough to suggest that Strakosch was speaking to Anderson's brief. Mr. Anderson said:

> "We—the economist, the banker, the business man—measure things in dollars, or we measure them in physical units, bushels of wheat and the like, or sometimes we try to measure them in units of social welfare, an abstract notion that we can't handle very well.
>
> "The politician has a very different unit of measurement . . . His unit of measurement is votes."

And so, he went on, when the "pure economist and the pure politician get together to try to interchange ideas, real difficulties arise" . . . "*I have known politicians assure me that economic law is unjust.*" Readers will recognise in those remarks the foundation of a case for substituting technicians for politicians as Governments, and especially of a case for making financial technicians the arbiters of policy. From this point of view the recent interest shown by bankers in the energy survey of the Technocrats is easily intelligible. To the scientific technician there is no such thing as an *unjust* law: so that if he can be got to regard the "laws" of finance as laws of science, and to hold that view as a political administrator, he would not be deterred from pursuing a policy because its consequences entailed hardships. And if a Technocratic Government were to be composed of such as he (and clearly it *could* be so composed) it would enlarge rather than restrict the freedom of the bankers to carry on with their old game. Mr. Winston Churchill is a cerebral "technocrat" in this sense, as was shown by his remark that "unpleasant consequences" of financial policy were "*proof* of its soundness"—a sentiment which out-Andersons Anderson, who limits himself to the statement that the consequences are *compatible* with its soundness. But we must allow for Mr. Churchill's probably being the reproducer of his friend's, Mr. Baruch's, sentiments.

Mr. Anderson's thesis at the Lotos Club Dinner was that there were "three fallacies of a bankrupt statesmanship"—namely, "cheap money; high protective tariffs; artificial price-stabilisation." He explained that—

> "The sound working of this system . . . calls for competition, flexibility, free flexible prices, quick to move, *quick to tell the truth.*" (Our italics.)

He concluded with the declaration that the most important function of government was "the provision of sound money."

> ". . . and by sound money I do not mean money kept in fixed relation to some composite unit of many commodities, I mean money kept *in fixed relation to gold.*" (Our italics.)

And Mr. Anderson's recent address is on the same topic: it is a historical survey of United-States finance adduced to prove his submission that "the gold-standard has never been in danger" in that country. The passages we have selected for emphasis constitute his explanation of how the gold standard had been kept out of danger. As readers of this journal will appreciate, the term "gold standard" is a symbolic *name* of a *thing* which we know as the Monopoly of Credit. That is the *thing* which has never been in danger, and "passing the buck" has been the technique by which Mr. Anderson boasts that the bankers have protected it. It is a technique for double-crossing Democracy within the forms of a Democratic Constitution.

It is now plain that the problem before the Douglas Campaigners is something more than that of securing wider intellectual endorsement of the technical soundness of the Douglas Analysis or Policy. That the fact of its soundness should be insisted upon, and demonstrated whenever required to new inquirers who are competent to understand the demonstration, is necessary; but it is not vital in the sense that there is some fixed number of intellectual converts which has to be reached before political pressure can be exercised in support of the new policy. In our judgment the required number has already been fulfilled—that is to say that there are enough people who know the truth about the present financial system and the Social-Credit alternative, and in sufficiently influential positions to make an effective move *with confidence* directly something happens to cause the Money Monopolists to leave their defences open. That something will be in the nature of an event or a deed, or most likely the product of the interaction between certain events (possibly unforeseen) and certain deeds (possibly unpremeditated).

Events imply deeds. So the problem is one of deciding what deeds will be done and who will do them. For deeds to be done there must be motive power actuating the human agent; and that motive power is generated in the Feelings and not in the Reason. As the authors of "First Lessons in Logic" remark:—

> "What persuades people to a course of action is not so much argument as a personal influence which they feel to be good and right. As J. H. Newman says, 'Truth has been upheld in the world, not as a system, not by books, not by argument . . . but by the personal influence of . . . men who are at once the teachers and patterns of it.' Logic and argument come second, to justify or correct our feelings. And this is the importance of reason—to guide our energies in the right direction. It is not enough to work—we must work intelligently."

If we consider the structure of society in this country as laid out in a phrenological diagram we can say that the masses occupy the back part of the cranium, where the emotions lie, and that the intellectual classes occupy the front, where the intellectual capacities lie. In this figure the bankers are not included. They with their policy must here be considered as the environment to which the brain of society in its totality will react. Now if we are right in our judgment that a sufficient knowledge of Social Credit exists in the intellectual front of

the social head the stimulation of the emotional back of the head can be undertaken with the assurance that the resulting impulses to action, however intense they may be, can be guided along safe channels. In political terms, the arousing of feelings against the policy of the bankers can be concentrated upon to the exclusion of technical education.

The significance of this analysis lies in our knowledge that any ground won from the bankers along Social Credit lines is more easy to defend against counter-attacks than have been any past *coups d'état* or revolutions. The reason is that people of influence who understand Social Credit will be less hesitant to undertake the responsibility of coming out on the Social Credit side when the occasion offers. Whether such people are at present themselves manœuvring in their own spheres towards creating such an occasion we cannot know as a certainty. If they are, so much the better. But the uncertainty whether they are or not will not prevent those whose feelings are already aroused from taking action. We do not believe that a popular agitation prompted from below and organised with the slender resources at the command of the promoters can of itself completely carry the defences of the money monopoly. But there is every probability that a properly organised popular movement can achieve initial successes of such a nature as will help to overcome the hesitancies of more powerful people and encourage them to exploit in their own way the successes achieved by popular agitation.

We were conversing the other day with an experienced business man who was personally acquainted not only with Mr. Lang in New South Wales, but also with a number of high permanent officials in the State Government Service. He told us that these officials, in private conversation, agreed without hesitation that Mr. Lang, notwithstanding defects in his policy, was as good a public servant as any statesman who had preceded him, and that they were entirely out of sympathy with the virulent tone of newspaper and other attacks on him. In the case of the Social Credit campaign in Australia, some of these officials may be thoroughly convinced about the technique of the policy, but it would be idle to expect them to manifest any sign of sympathy—much less take any overt action to support it. If this is the case with the permanent officials, we may assume with certainty that it will be the case with statesmen, for the reason that all statesmen are trained in statecraft by these permanent officials, and will instinctively look to them for advice in a crisis.

An illustration of the sort of thing we mean is provided by Mr. Neville Chamberlain's last note to Washington on the debt problem. If he had delivered himself of the views and reasoning embodied in that note at some public meeting, and we had been present among the audience we should have felt strongly disposed to interject: "What did Douglas say in '22?" For the substance of what that statesman had to say to the Hoorooseverelt Junta presiding over the present interregnum in the United States was the substance of what Major Douglas tried to knock into the consciousness of Mr. Lloyd George eleven years ago. No-one who studies these pages will suppose for a moment that Mr. Chamberlain's present views have descended to him in a direct line from Mr. Lloyd George. In fact it is conceivable that Mr. Lloyd George never even read the correspondence addressed to him by Major Douglas—the whole matter could have been disposed of by Treasury experts through the official medium of Mr. Lloyd George's private secretaries, Mr. G. H. Shakespeare (September 8, 1922) and Mr. T. L. Stevenson (September 14, 1922). Mr. Shakespeare wrote:

> "*I am to say* that he [Mr. Lloyd George—then the Premier] will *give his careful attention* to any suggestions which you may care to send him." (Our italics.)

And Mr. Stevenson wrote (after receipt of the aforesaid suggestions):

> "The Prime Minister has *asked me to thank you* for your letter of the 11th September, and for the suggestions which your letter contained."

The only definite conclusion that may be drawn from these letters is that Mr. Lloyd George had been made aware of the fact that the correspondence had arrived. The statement that he would "give his careful attention" to the suggestions can be reasonably construed to mean that he would pay Major Douglas the compliment of referring his suggestions to the Government's financial advisers. What happens when such suggestions are so referred was let slip by Mr. Chamberlain himself when he made the House of Commons laugh by picturing the Treasury officials as "sighing" over the letters and pamphlets addressed to him by lay financial reformers. Very well; we are not bound to believe that Mr. Lloyd George did anything more with Major Douglas's correspondence than to try it on the Treasury officials and see if they sighed. We are are not grumbling at him for doing no more; in fact he would be exposing himself to the risk of some humiliation—for those officials might have sworn at him: "What the —— do you mean, bringing this —— tripe here? Tell the —— to go to Hades." However, let us come to our main point, namely that the identical views over which the Treasury "sighed" in 1922 are now being seriously promulgated by the same Treasury through the mouth of Mr. Neville Chamberlain, thus illustrating the fact that even the permanent officials of High Finance, who in form and by training are the most implacably hostile of all Government officials to Major Douglas's ideas, have been compelled by the logic of events to adopt and exploit his reasoning. Since that has happened to them, so much the more surely must it have been happening among government-permanent officialdom generally—especially that section of it employed in the Spending Departments of the State where they can hardly pass a bill for a penn'orth of sweets without a furtive glance over the shoulder in case some Treasury auditor is prowling about.

As we see the picture, the *Ship of Finance* now lists at such an angle that its final submergence can be brought about either by the slightest shifting of the cargo in its hold or by the slightest troubling of the waters on which it floats. The captain's bridge—manned by bankers—is a Bridge of Sighs; and if one could get near them he would probably hear them sighing *for*, instead of *at*, the means proposed so long ago to put the ship on an even keel. In a prophetic sense, the stone rejected of the builder has become the head of the corner. At present, in the hold of every national market, Labour is hunger-marching: and over the sea of the international market Capitalism is hunger-marching. And the Ship of every State is at the mercy of the fall of a case of merchandise inside or of the rise of a capful of wind outside.

On the occasion of the last hunger-march the London newspapers were asked by the Government not to splash the news of the converging marches towards the Capital, as it might cause unnecessary nervousness among the public. Accordingly these papers played the news on the soft pedal as regarded both pictures and letterpress. As we write this, another hunger-rally of sorts will be taking place in Hyde Park. It will be of the nature of a Dubb Demonstration and if it has not been organised by Scotland Yard and the Trade Union movement, it will certainly afford an occasion by which the T.U.C. can recover some of its lost prestige and authority as trustee for the workers' interests, and by which the police may get an opportunity for exhibiting that discipline of themselves which was so conspicuously lacking on the last occasion. The Communist "producers" of such spectacles are locked up for the occasion, and the new producers have designed a version of the hunger-film in which the demonstrators are to "register" orderliness and cheerfulness, while the police "register" composure and benevolence. Black-and-tan scowls are to be faded out for the benign smiles of men-in-blue gently marshalling the movements of men-in-the-blues—a show authorised by the Board of Censors for exhibition to young people. The Bishop of Ely might have been asked to pronounce the Benediction. However, we can all wave our handkerchiefs and wipe our eyes.

In saying this we are expressing, not only our own views, but those of others who are in a position to know the intentions of the organisers. As supporting their views readers will notice (a) that the advertising of the present demonstration has been more prominent in form and more "respectable" in quality than on the last occasion; and (b) that, unlike Tom Mann, no Court has required of the organisers guarantees against disorder. There is more than a suggestion of resemblance between the policy of our authorities towards "unsound" demonstrating and that of Mr. Benjamin Anderson's associates towards "unsound" financial legislation. It is the policy of blocking something you don't like without openly opposing it.

Outlaws and Laws.

All such cases amount to a fraudulent conversion of Constitutional procedure to sectional ends. The practice dates back a long time as may be proved by the case of the Silver Purchasing Act in the United States in 1892. This Act had been passed by a Republican Administration just previously to President Grover Cleveland's assumption of office. The Act authorised the Government to buy six million dollars' worth of silver per month and issue new paper notes against it. The measure was in operation when Cleveland became President. He sent a message to Congress asking for the repeal of the Act. Congress refused, and was thereupon dismissed. A convention of New York bankers was called and sent word to every National Bank throughout the United States to attack credit for the purpose of giving the people an "object lesson." A crisis was bound to ensue, and the Press were instructed to ascribe its cause, when it came, to the Silver Purchasing Bill. The word sent out to the bankers was in the form of a confidential circular in these terms (our italics):

"Dear Sir,—The interests of National Bankers require immediate financial legislation by Congress. Silver, certificates, and treasury notes must be retired and the *National Bank notes upon a gold basis made the only money.* This requires the authorisation of from $500,000,000 to $1,000,000,000 of new bonds as a basis of circulation. You will at once retire one-third of your circulation and call in one-half your loans. *Be careful to make a money stringency* felt among your patrons, especially among influential business men. Advocate an extra session of Congress for the repeal of the purchase clause of the Sherman law, and act with the other banks of your city in securing a large petition to Congress for its unconditional repeal, as per accompanying form. Use personal influence with Congressmen; and *particularly let your wishes be known to your Senators.* The future life of National Banks as fixed and safe investments depends upon immediate action, as there is an increasing sentiment in favour of Governmental legal tender notes and silver coinage."

These particulars are taken from Mr. Arthur Kitson's pamphlet: *Industrial Depression* (1905) cited in Mr. Hattersley's *This Age of Plenty* (Ed. II., Appendix M., p. 303). The only difference between the procedure then and the procedure now is that the promotion of petitions to Congress and the making known of bankers' wishes to the Senate are no longer necessary. A packed Senate and subsidised Press constitute a perfectly efficient means of making the banker's wish father to the law. To anyone who may say that what is done in the United States is no proof that similar things are done here, it can be pointed out that the bankers in Australia left Mr. Anderson's friends at the post when they were dealing with Mr. Lang. In New South Wales they made no effort to stop his measure going through the Legislative Assembly; and far from inciting the Legislative Council to reject it (which it would and could have done) they persuaded them to pass it, and afterwards got a judgment from the Courts that the Council's action was illegal. Seeing that the measure was one to abolish the Council, and having regard to the antecedent certainty that the Council had not the slightest intention of going out of existence, the inescapable conclusion is that they had no expectation of doing so—in other words, that they knew at the time that the judges who would hear the case would pronounce their act of suicide illegal. The American who boasted to a foreign visitor: "We have, sir, in our country, *the* very best judges that dollars can buy," was simply giving a crude expression of what is essentially true of all judges. British judges are not bought by money: it is not necessary. Their judgments are bought by their training. In common with their fellow citizens they are hardly born before they are set sucking bankster glaxo from their feeding bottles. It is something of a miracle that any judges, on a fundamental financial issue should arrive at a judgment, adverse to the submissions of the bankers, as, happily, took place in connection with the two Waterlow Appeals. We can only surmise of these exceptions that they are breast-fed judges—born in times or circumstances when it was the fashion for mothers to feed babies from sources which could not be tampered with. Apropos of the Waterlow Appeal, when the Lords had finished hearing evidence and arguments and were considering their judgments we were interested to ascertain where judges went to consider judgments. So we asked a legal gentleman a few questions; and the substance of what he said was that it was quite proper for judges in such circumstances to consult people who were competent to advise them on "*questions of fact*"; by which we gather that he meant questions of facts outside those directly involved in the case—wider facts which would assist their Lordships to assess the relevance and cogency of the narrower facts adduced by the parties in Court. If this is untrue we hope to be told so; and will correct the mistake. But if it is true, what a scoop for the bankers to be let into the topmost judicial counsels, and offer in secret their *ex parte* "instruction" on that very aspect of the investigation through which the student of Social Credit could throw most light on the issue. Consider the contrast between this procedure and that imposed on a jury. If in any civil case a juryman is seen to pass even a casual word, during an adjournment, to either party, or anyone associated with such, there's no end of a hallabaloo about it—the hairs of every wig stand up on end like pylons carrying a current of horror throughout the Court. Further, in capital cases, the juryman is shut off from contact with anyone at all but his fellow members until the verdict is given. A proper thing, too, we shall all agree; for the life of a man is at stake. Yet in a case where a non-stop epidemic of bankruptcies and suicides is at stake no such precautions are thought necessary. It is true that by returning a true answer to the question: What is the cost of a bank-note to the bank of issue? you do not directly abate the ravages of

the epidemic; but you do hit a new trail towards its source. Now, Judges of Appeal have to function as judges and jurymen combined; and, with full recognition of their integrity and impartiality, we submit that their Lordships ought to have been locked up until they had delivered their judgments.

In the case of the judges in the New South Wales Court, their problem was more in their competence to solve than that of the Waterlow affair. But their judgment was necessarily affected by the consideration of what the consequences would be if it left Mr. Lang free to pursue a financial policy which respectable bankers were characterising as disastrous. They had never been taught to distinguish between the natural consequences of a financial policy and the contrived phenomena which bankers could make manifest coincidently with it. So quite pardonably they would ascribe the causation of the disturbances already brought about in the commercial and fiscal affairs of the State exclusively and directly to Mr. Lang.

So much then, for high legal administrators. As for Legislative Councils, or Senates, or other Upper Houses, they are all composed of non-elected members or, if elected, elected from a panel. Thus the Senate in the Irish Free State is restricted as to membership to persons "who have reached the age of thirty-five years and have done honour to the nation by reason of *useful public service*, or who are specially qualified as *representing important aspects* of the nation's life." (*Whitaker*, 1932. Our italics.) How these qualifications are defined, and who certifies the fitness of a candidate to offer himself for election, are not stated. It is easy to see that the influence of the bankers could always maintain a majority of "safe" men in the Senate, so that they could rely on the Senate's "rising magnificently to the emergency" (to quote Mr. Anderson's tribute to the U.S. Senate)—the emergency in this case being Mr. de Valera's financial and economic policy. We are not surprised that Mr. de Valera wants to abolish it.

Another sinister feature in the Irish Free State Constitution is the method of voting, namely Proportional Representation. *The Times* remarked on January 28 that had the system of direct election been in operation Mr. de Valera would have won a complete victory. If *The Times* sees that to-day the framers of the Free State Constitution foresaw it in 1922. It is pretty evident why they chose to have Proportional Representation in the south while the north adhered to the English system. For in the north any conceivable issue between the Ministerial and Opposition candidates would be of so little moment from the point of view of the British banking community that it did not matter if either party got a decisive majority. But as for the south it has always been recognised that the advent of an alternative Government to Mr. Cosgrave's would resurrect issues which the banking community strongly desired to keep buried. So they arranged matters to ensure that if and when such a Government came to office it would do so on such a small majority that its mandate could be plausibly challenged in respect of those items in its policy which London considered objectionable. It is amusing to note that the egregious A. A. B. in his article on Mr. de Valera in the *Evening Standard* of February 1 suggests that Mr. Cosgrave was handicapped by Proportional Representation, and declares that "the universal failure of Proportional Representation is the precise reason why it has been adopted by the Irish Free State." His obvious intention in saying this is to jeer at Mr. de Valera, on whose policy the whole article is a virulent attack; but he offers no explanation of how Mr. de Valera is responsible for the voting-system, and in fact explodes the idea when he says that Proportional Representation "is designed to prevent any one party or individual from obtaining what we should call a working majority." Did Mr. de Valera not want a working majority? We should say that he is probably the only statesman left who is not afraid of the responsibility of commanding such a majority. His policy may prove to be unwise, but at least he has the courage of his own mistakes and shows no disposition to practise that subtlest and dirtiest variant of "passing the buck," which consists in forming an all-party coalition against whose policy the people have no means of protest between elections, nor of visiting their displeasure on its agents at election-times. Both in Britain and in the Australian Commonwealth the public, at the next election, will be appealed to by a solid block of candidates who, on all items of past policy which the bankers have inspired, will be able to plead, one party against another, that they are each and all equally deserving of praise or blame as the case may be.

We now pass on to note two new attempts by the bankers to change the law, or the interpretation of the law, in conformity with their deflationary policy. The first is seen in the recommendation of a Government Commission that the profits of Co-operative Societies should be taxed under Schedule "D." The second is an attempt on the part of the "Crown" to get legal authority to collect income-tax on the profits earned by illegal forms of business—in this case, cash bookmaking. It has been held hitherto that illicit profits are not taxable, presumably on the moral ground that the State should not appear to condone illegalities by "recognising" them in this sense; and also on the technical ground that, to instance cash-bookmakers, the parties already pay taxes in the form of fines imposed on them from time to time. In the case of the firm in question (whose name has not been published) the Commissioners of Income Tax had declared it exempt according to precedent. The "Crown" now challenges the precedent. Lord Justice Finlay has upheld the challenge in order that the law may be tested on appeal. As regards the profits of Co-operative Societies, Inland Revenue experts themselves have repeatedly issued reasoned statements purporting to show that these Societies do actually pay their full and just share of taxes under the present system of assessing their profits, and that they do not enjoy any advantage over private enterprises. If that is so the proposed alteration would put them at a disadvantage. This matter has a special interest for Social-Credit supporters, because any discrimination against co-operative trading looks suspiciously like a fine on collective consumer-purchasing—a levy on the members' discounts. We are familiar with the joke about ladies who come home from the sales saying that they have "made" so much money when what they mean is that they have spent so much less on an article than its normal price. Apparently the bankers contemplate exploiting this confusion of mind if they can.

While the financial community are flouting the Constitution the criminal community are flouting the Law. And since the Law is exploited by the bankers for their purpose the breaking of the Law by criminals becomes poetic justice. Here are some recent cases.

Last week a City Assessor of high standing was sentenced for "receiving" stolen property. His standing was so high that the judge gave him "second division" treatment instead of penal servitude. On Friday last seven City men—mostly "men of substance," as the saying goes—were indicted with conspiracy to procure fires and fabricate claims on insurance companies. They were remanded for a week on bail collectively amounting to £70,000—a sum which suggests that the amount of the alleged frauds must be a tremendous figure. Earlier in the week, also, a policeman was charged with conniving with others to burgle empty houses on which it was his duty to keep a watch. Owners would report their intention to leave their houses unoccupied, and the policeman of course would always have on hand a list of premises where burglars could earn their living safely o' nights.

Since writing the above we see the report about the "runaway" Dutch battleship. The Javanese naval ratings have gone one better than the heroes of Invergordon, and have said: "You pinch our pay—we pinch your ship."

And so it goes on. The bankers can punish as they will, but these spontaneous reactions to their policy will multiply in number and magnitude. Not long hence the quantity and quality of convicted prisoners will be such that imprisonment will carry no more moral odium than what was known as internment in the last war. And the word "internment" is essentially nearer to truth; for we are all involved in war—the war between the bankers and the people. As things are going the country looks like becoming one vast internment-camp; and long before that stage can be reached the captors will discover that the law of the camp has become the law of the land. The last war would have collapsed in mutual fraternisation along all its fronts if it had not been abruptly stopped by the nervous bankers. And that is how the present war will end. The episode mentioned above of the policeman tipping his pal the best houses to burgle embodies the principle of that fraternisation at work among the masses. And the records of the Law Courts for the last two years indicate that the same principle is working among the classes.

Working among the classes. Yes, and, possibly even among the professional operative financiers. Let us put a case. Suppose we run an insurance business; and a claim arises on which we stand to pay out £10,000 to replace some stolen article. What is our best *legal* course? To get our assessor to advertise a reward for information leading to the apprehension of the thief and the recovery of the article. But what is likely to be our *cheapest* course? To get him to buy the article of the thief with no questions asked and no word to the police. But how about us if our assessor gets found out? And how about him, too? Well, you know, all these little difficulties can be arranged—what? We have plenty of money; and we can make it worth his while to shut his mouth and suffer internment for a little while. That is one way. But we need not connive with him. We need only hint to him that if he gets back the article we won't inquire how he does it. That is the better way. It is the secret-service way—to reserve the power of disowning the agent when he fails.

"THE NEW AGE" DINNER.

The next Dinner has been arranged to take place at Frascati's Restaurant on Saturday, March 18, at 6.30 for 7.0 p.m.

This Dinner will antedate by only three months the completion of the tenth year of the present editorship of "The New Age," and will mark the fourteenth year of the identification of this paper's policy with the Proposals of Major Douglas.

Major Douglas will be present as the guest of the evening, and it is hoped that on this occasion everyone who can do so will make a point of attending.

Further arrangements will be announced in due course. In the meantime seats may be reserved (price 10s. 6d.) by application to "The New Age," 70, High Holborn, London, W.C.1 (Telephone: Chancery 8470)

Breaking the Monopoly of Money.

The following report of Major Douglas's speech at Liverpool on January 31 is reprinted from the *Liverpool Daily Post* not alone for its intrinsic interest, but as an example of the noticeably higher standard of journalism prevailing in the great Provincial Dailies, as compared with the Metropolitan Press, in reporting both competently and impartially, views with which they are not necessarily in agreement.—[ED.]

"Major C. H. Douglas, author of the much discussed 'social credit' scheme, explained last evening his plans for 'breaking the monopoly of money' to a large audience in the Picton Hall, Liverpool.

"In an attack on the banking system, Major Douglas contended that now machinery had taken the place of human labour in the production of wealth, the unemployed should be the first inheritors of the age of leisure which had begun. The age of scarcity had gone, unless human beings were incredibly stupid.

"To the manipulations of the banks he attributed the booms and the depressions in this country and America, and at their doors lay the bankruptcies, suicides, and unemployment everywhere. Since the war every possible financial policy had been tried. Whether prices rose or fell or were steady the banking interests did not suffer; the only sufferers were the public.

Great Britain, Limited.

"Primarily potential wealth did not arise from the human labour of to-day. The productive machine was a communal creation and the accumulated knowledge of centuries went to its making, and the wealth produced should be available to all. All living people ought to be tenants for life of this cultural inheritance.

"In Great Britain, Ltd., all should be shareholders, drawing a national dividend in the form of real credit, and that without affecting their relationship to specific undertakings from which wages and salaries might be drawn as well.

"In international finance the people were up against the greatest vested interest in the world, which had no concern with social betterment. It was a case of the public against the international financiers, and one of them must prevail.

No Return To Gold.

"The public scored the initial victory when Britain went off the so-called gold standard. By that means the public got the enemy into a smaller or national ring, and he must not be allowed to get away. On no account should we go back to the gold standard.

"It would be fatal to nationalise the Bank of England until it was known which was to be the top dog—the Bank or the Government. The essential thing was to force the policy of the public on the existing banking system, and he believed that the financing of business could be done quite well by the banks as agents for the community.

"He urged all those interested in his plan to bring pressure to bear on their members of Parliament, and to keep at it until the question was settled. Every day's delay was an argument against the continuance of the Parliamentary system. The world was faced with a breakup of the economic system. There was, therefore, a time limit, and the public must get busy.

"Thanks to the speaker were voted on the proposition of Canon Davey, seconded by Dr. Tudor Jones, of Liverpool University. Questions from members of the audience, which was drawn from a wide area, were answered by Major Douglas."

MUSIC NOTICE.

A recital of the chamber music of Rutland Boughton was given at the Aeolian Hall on January 30 before a socially distinguished audience. The programme consisted chiefly of songs. Of the instrumental items the most important was the Sonata in D for piano and violin. Mr. Parry Jones struggled bravely with a severe cold, which inevitably affected his singing in the *pianissimo* sections of his songs, and the violin in the sonata was occasionally a little at odds with pitch and intonation, but as a whole an exacting programme was given something more than competently. A group of "Symbol Songs" was exquisitely sung by Mme. Tatiana Makushina, with most sympathetic support from the string quartette, and Miss Christine McClure earned the applause she received for her singing of two traditional carols from the choral drama "Bethlehem."

R. L. N.

Salaries and Credit.

By B. Wood.

The study of time in relation to pay is similar to the Douglas Analysis and is just about as little understood by people of average intelligence. I know two accountants who cannot see that a monthly paid servant is deprived of three weeks' pay so long as he works as compared with a weekly paid man.

When a certain borough in Scotland was faced with the difficulty of balancing its budget a large proportion of the staff were put on a monthly salary, vice weekly, without being consulted. Only one man to my knowledge objected—he saw, as the others whose eyes were blinded by the elevation in social status did not, that he had lost the use of three weeks' salary for life. Now we only have our pay for use (it is from the use that money derives its value), so the loss of the use means the effective loss in actuality until retirement or death.

When at the end of the first month a worker, who we assume can just live on his salary, is paid, if the pay is used to defray the costs of last month (which we presume has been lived on credit) there is nothing left on which to live till next payday.

Hence the worker must obtain a month's pay from somewhere on which to live the month he has to wait

There are three methods:

(a) To borrow one month's costs in perpetuity.

(b) To use capital equivalent to one month's costs.

(c) To combine (a) and (b) by borrowing until sufficient has been saved to repay the loan and the interest—thus providing the capital out of savings.

The monthly paid servant, and, of course, to a greater extent the quarterly or terminally paid servant, is thus an involuntary investor to the extent of a month's (or pro rata) salary in the concern which employs him. He also derives no interest from his investment, but that is a minor point.

Since the employee never gets the four weeks' pay till he leaves, the employer to whom he has given up its use may employ it as capital; or if he runs on overdraft will reduce this by the appropriate extent, thereby pushing the onus of "raising the wind" on to the employee.

The extension of the field of salaried pay is therefore a deflationary movement. We have seen that if the employee who has no means at the start wishes to become solvent he must first save four weeks' pay (or at least the cost of four weeks' living). To this extent, then, some of his pay is no use to him. If he pays off the loan in six months he must only spend five months' money—i.e., he must live as though his salary were reduced in the ratio 6: 5.

Again, when the employer borrows he usually does so from the bank, which creates "new" money for the purpose; but when the onus is pushed on to the employee he either uses his own capital or borrows from friends or relatives, who lend him "real" money which otherwise they might have spent, or, alternatively, he gets a month's "tick" from the shopkeepers, who in turn may get the equivalent credit from the banks via the wholesalers.

When the friend A lends money which otherwise he might have spent to B who spends it to live, only one packet of money becomes available to stimulate consumption, whereas there ought to be two packets—viz., A's which he has saved (i.e., gone short of goods to that extent), and B's the control of which has been stolen from him.

Now, among the workers, at any rate in the thrifty North, it is regarded as a harmful thing to have "tick" or to be in debt to the shopkeeper. Why then are employers not ashamed of being in debt to the staff? Why should the firm be given tick? If the staff have to wait a month for their pay someone is going to have to wait to be paid. Hence the salaried classes have no shame of being in debt—it is, in fact, a natural accompaniment of the added social status.

The employer and accountant will argue speciously that the work involved in paying weekly is prohibitive, in which case payment could be made monthly, but in the middle of the month, i.e., after two weeks' work, thus splitting the difference—the employee waits two weeks for his month's pay and the boss waits two weeks for the balance of the work.

Think what a stimulus it would give to trade if to all salaried staff the arrears of back pay were restored next week—the restitution of the collective enormous force of involuntary investment might even get us out of this slump if only the money was forthcoming. But that's not likely to happen.

The Green Shirt Movement.

ACCOUNT OF ITS DEVELOPMENT.

In 1925, John Hargrave, the founder and leader of what is now known as the Green Shirt Movement, brought the works of Major C. H. Douglas to the notice of the Kibbo Kift and declared that here, without any possibility of doubt, was to be found the correct analysis of the present economic system, and the only sane and logical solution to the problem of poverty in the midst of plenty.

Those who were of The Kindred at that time remember the sense of dismay and even of revolt that resulted from the introduction of "economics" into a movement that had come to look upon itself as being purely recreational and educational—a camping, handicraft, and world-peace movement, a breakaway from the "scouting" of B.-P., following more along the lines indicated by Thompson Seton, and having something in common with the post-war continental Youth Movements.

Many Kinsfolk at that time felt that they wanted to go on with the various woodcraft educational activities, especially amongst the K.K. clans and tribes of youngsters, and there began a serious drift away or fade-out of Kinsfolk who found themselves unable to accept what was in reality a step-by-step swing-over to Social Credit.

At the time when the study of Social Credit began to be pushed to the forefront in the activities of the Movement—(the K.K. Covenant was not brought into line with Social Credit until 1927)—one of the most intelligent and far-seeing students of Social Credit said:

"Well, Hargrave, I can tell you what will happen to your movement if you go all out for Social Credit—it'll bust it."

Such a warning was not likely to have the slightest effect. Hargrave had decided in his own mind that the reasoned sequence of the Social Credit argument was absolutely logic-tight. At the risk of "busting" the movement, and quite unshaken by the waverings and doubts of some of his most able and loyal followers, he drove steadily month by month and year by year towards "a human instrument"—(*The Confession of the Kibbo Kift* was published November, 1927)—that should carry Social Credit into action in this country.

By this time almost all the active members in the movement were beginning to steep themselves in Social Credit teaching. Those who had originally joined the movement for its camping and woodcraft only, and who had "hung on" more or less ignoring "all this economic stuff," began to drop off in ones and twos. The movement was not "bust," but its membership was gradually crumbling away . . . one here, one there. Hargrave's reply to this was a still stronger dose of Social Credit, and a further drastic intensification towards the one economic objective. The K.K. was shrinking to a little knot of Social Credit students, and yet, as it seems now almost miraculously, it kept on a continuity of tradition and enormously improved its organisational technique. "Hargrave's Handful," as someone called it at about that time, was beginning to shape and temper itself. It began to show a real discipline. It began to develop its Unarmed Military Technique. But still it was cut off from the people—the masses. It had no mass support, and it looked as though it would never get any. A kind of furious inner drive kept the movement going day by day, in spite of everything.

Fully conscious of the fact that mass support was absolutely essential, Hargrave, with Dixon and Russell, went North into Durham and Northumberland for three weeks in the autumn of 1928, speaking almost daily to unemployed pitmen at the pithead and at many other meetings. This was a reconnoitring expedition. The general response was good, but the time was not ripe. The K.K. itself was not ready to penetrate into, nor respond to the tempo of, the wage-earning masses and the unemployed. Yet that reconnoitring expedition had a profound effect upon The Kindred—(it led directly to important changes brought about at the First Extraordinary Assembly, Easter, 1929)—and may be looked upon as marking the turning-point that was to lead away from a "minority convention" towards a mass movement

This again had an unsettling effect upon some who (although they fully accepted Social Credit) had a liking for a small tightly-knit "closed group" and felt that even if it were possible to reach the masses (which they had reason to doubt) they might lose their identity and weaken their discipline. Hargrave's reply to this was to say nothing, seeing that the movement was not ready; but he began to change the ideology—the actual words and phrases in use—in such a way as to lay the movement "open" to the ideology of the masses.

This process was speeded-up when, in January, 1931, Hickling organised the Legion of Unemployed in Coventry. Here, at last, was a true linkage with the masses. Hargrave took the utmost pains to strengthen this linkage and to learn exactly what could and what could not be done direct from the Coventry unemployed. He kept in constant correspondence with their leader and took every opportunity to discuss the situation in the closest detail. He was quick to notice when a local Coventry newspaper, in reporting the first public appearance of the Legion of Unemployed, came out with a poster worded: "Coventry Green Shirts."

"That," he said at once, "is going to be the popular name of this movement—the Green Shirts! Kibbo Kift is too difficult, and the Legion of Unemployed is too much of a mouthful. We've been nicknamed Green Shirts, that name will stick to us—let's stick to it!"

In July, 1931, came Decree 14 which completely reorganised The Kindred, opening the ranks to three categories of Associates—Green Shirt Associates, Associate Workers and Associate Helpers. But still recruiting lagged. They were not losing members, but recruiting was almost stagnant.

A year later, in July, 1932, the K.K. opened their National Headquarters in London. This made an enormous difference, especially to the London membership, but not immediately so far as recruiting was concerned. Already open-air street-meetings in London had been started by a pioneer band—Griffiths, Story, Phillips, Hunt, Tacey, and others—and this began to show signs of bringing in new men.

In October, 1932, Hargrave, with Webb and Russell, went up to Tyneside for a week to speak to, and to talk with, the unemployed pitmen and factory workers in that area. This was a second reconnoitring expedition after a gap of four years. This time it was clear that the masses were ready to respond, and, almost equally important, that the K.K. itself was rapidly becoming *en rapport* with the attitude and general outlook of the masses. One or two organisational adjustments might bring the two together.

These questions were considered by the H.Q. Council and it was decided that every Kinsman, including all ranks, should get into Green Shirt rig as quickly as possible in order to show uniformity throughout as the Green Shirt Movement for Social Credit. This was a drastic change that had to be carried out in the London area to start with. It was done and done quickly.

However, before this matter had been decided, London Green Shirt Associates were asked to join in with the Hunger Marchers' Anti-Means Test Demonstration in Trafalgar Square on October 30, 1932.

Seeing here the chance to plunge the K.K. into the living midst of the most active sections of the unemployed masses, Hargrave at once leapt at the opportunity, energising everyone to take part, stimulating the activities of a suddenly self-constituted "demonstration council" and finally himself leading the Green Shirt Section into position.

Without knowing it at the time, the change had taken place. The spell was broken. From October 30, 1932, recruiting began to develop in London and the provinces. During November, December, and January it increased steadily and it is maintained.

The Green Shirts know now positively that, given supplies of Green Shirt equipment, they can enrol at least 10,000 men. The men are not lacking. They rally at once to the Green Shirt Standard. But there is a desperate need of supplies of Green Shirt kit. These men cannot pay 10s. nor even 6s. cash down. They pay what they can—a penny or more a week—to cover the cost of their uniforms. They must be fitted out as they join. The psychology of the situation demands it. Now, at the very moment when the movement shows every sign of breaking into its mass formation, it is vital that it should be able to obtain supplies.

I. A. R.

Theatre Notes.

Dinner at Eight: Palace.

Almost every one of us has a skeleton in his or (as the case may be) her cupboard—perhaps only a diminutive collection of bones, but still sufficient to justify careful concealment on certain occasions. When they rattle, as they inevitably must in this world of prying Pauls and chatterboxes, the neighbours prick up their ears in delight and commence to nose out the bogey. For there is nothing which they like so much as a good juicy scandal—not merely charming harmless gossip, but scandal which, as a witty Irishman once put it, is "gossip made tedious by morality." No matter in what essentially personal light a man's private life ought to be regarded by society, it will doubtless always form a subject for his neighbours' curiosity; for indeed according to conventional standards of living he should not be permitted to enjoy himself beyond certain limits. Conceiving the audience as neighbours, then this curiosity should be more than satisfied in the case of "Dinner at Eight," whose characters parade their skeletons with a continuous jingle—and that some!

"Dinner at Eight" is the "slickest" of "slick" American dramas, by Mr. George S. Kaufman and Miss Edna Ferber. At the Palace Theatre, where it is being presented by Mr. Charles Cochran, the episodes of which it principally consists flashed past my bewildered eyes like cinema "shots," and left me wondering whether things could happen with such lightning precision as these violently progressive dramatists represent. Millicent Jordan is a type of transatlantic hostess who uses her husband simply as a convenient money machine, and spends her time making herself beautiful and establishing pleasant social "contacts." One morning she decides to give a small dinner party a week later, in honour of a real, live English lord and his lady, and the guests are accordingly bidden to the feast by telephone. During the hurried intervening week between the issue of the invitations and the dinner, the audience is treated to short, sharp glimpses of the private lives of those who are to make up the party. And spicy lives they are, too, with tons of pep and intrigue, and covering a wide range of society, from the hostess's daughter, who has an impassioned love affair with a declining film star in a fashionable hotel, to the Jordan's chauffeur, parlour-maid and butler, who chase each other below stairs with table-knives. In the final scene, the guests assemble in the Jordan drawing-room, and exchange the usual social pleasantries to the strains of the Hungarian Tzigane Band (specially hired by the hostess for the occasion)—except the film star, who, faced by professional ruin, is at that moment inhaling gas fumes in his hotel bedroom! A very smart production all round, and marked by excellent acting. But the palm must go to Mr. Basil Sydney for his really magnificent performance of the part of Larry Renault, the fallen cinema idol, who eventually commits suicide amid a heap of unpaid bills, broken contracts, and empty whisky bottles. Miss Irene Vanbrugh, as the indefatiguably loquacious hostess, comes near to carrying it away, while Miss Laura Cowie, Mr. Lyn Harding, and Miss Carol Goodner are well in the running. At the final curtain I felt like Oliver Twist in his most characteristic attitude—which I gathered was precisely what the authors intended.

The Winter's Tale: Old Vic.

"The Winter's Tale" is one of the more difficult of Shakespeare's plays to present. Its language is coarse, its action disjointed, its topography faulty (Bohemia is described as "near the sea"!), and there appear to be others than Shakespeare who have had a hand in its composition. The prevalent influenza, which lays low both casts and audiences, has not lightened Mr. Harcourt Williams's task of presenting it at the Old Vic. In Autolycus it contains a much-quoted character, but one seldom seen on the stage, and I consequently looked forward to seeing a sympathetic interpretation of this part. But Mr. Jeffrey Wincott's rendering of it frankly disappointed me, for the impression I received was one more of a blithe Italian dancer bent on amusing the simple Bohemian rustics than the shrewd old vagabond whom the character should plainly represent. Mr. Malcolm Keen, who played Leontes, was as usual thorough-going in his regal villainy, particularly in the opening scenes, where he is driven almost demented by the thought of his wife's infidelity. Miss Peggy Ashcroft as Perdita blinked her pretty way to the heart of the audience as well as to that of Florizel (Mr. William Fox), while the clowning of the shepherd and his son (Mr. Morland Graham and Mr. Roger Livesey) was excellent fun. The rustic settings were perhaps a little incongruous—most of all the shepherd's cottage, which reminded me of an advertisement of a popular gar-

den-suburb. But *chacun à son goût*; and Mr. Harcourt Williams must forgive me when I remark that our tastes do not coincide on this matter.

This rarely performed play is being presented again at the Old Vic this week, and lovers of Shakespeare who have not seen it should certainly take the opportunity so graciously provided for them by the management of seeing it now. Those who have already seen it can do much worse than follow the others' example.

Things That are Caesar's: Arts.

This is a tragedy by Paul Vincent Carroll which tied for first prize in a dramatic contest held last year under the auspices of the Abbey Theatre, Dublin. It is a tragedy *à l'Irlandaise*—not tragedy stark and unrelieved, but tragedy in which the tragic elements are skilfully concealed behind a mask of hilarity and biting wit peculiar to the Emerald Isle of saints and heroes. This play reminded me of a certain Irish "wake" or funeral jollification where one of the mourners became so drunk that he fell into the grave and broke his neck. Next day the local newspaper characteristically observed that "this unfortunate incident cast a tragic gloom over the whole proceedings"! For me the intellectual intoxication of the characters in this play had a similar effect, while the choice of a squalid tavern in Dundalk for the scene of the action completed my emotional torment. The story turns on a struggle for the daughter of the house. Her overbearing mother wants her body for the marriage bed of a well-to-do but stupid farmer's son, the parish priest wants her morals in his keeping and her soul for the Church, while her kind but lazy father, who has not been to Mass for many years, desires only her happiness and freedom to do as she wills herself. As events turn out Mama and the priest win, for on her father's death of hen-pecking and heart failure the girl gives in, and the curtain falls on the maudlin and rather sordid festivities on the eve of her wedding. So much for the action, which is slight. As for the talking, which is quite considerable, it is really instructive to those who are interested in the development of the Irish peasant mentality. As the bullying, scheming, ambitious mother Miss Sara Allgood treated the audience to some inspired acting, and I think that in the part of her strong-willed but physically weak husband Mr. J. A. O'Rourke also fully sustained the reputation which the Irish Players have deservedly gained. As the daughter Miss Joyce Chancellor gave the impression from her accent that she had been educated at a superior English public school and not at a popular Irish convent—otherwise she played excellently. The general standard of acting throughout the cast was particularly high, and Mr. Lennox Robinson deserves every congratulation on this production. I hope it will shortly be seen by the general public throughout the country.

RICHARD CARROLL.

The Films.

Two Outstanding American Pictures.

After striking a rather bad patch a few months ago, Hollywood has once again lifted itself out of the rut. American producers are not only giving us pictures of real people, who, as a matter of fact, figure in so many of their quite mediocre films, but they are also moving towards the cinema of ideas, while our studios are sinking more and more deeply into the morass of banal farce, musical comedy, and spineless drawing-room drama, varied by occasional excursions into pseudo-Cockney, or the North Country as seen through the eyes of the London variety theatre.

I have this week seen two outstanding American films that are more than good entertainment. The first was "Twenty Thousand Years in Sing Sing," which has finished a preliminary run at the Empire. The title is, of course, taken from the remarkable book by Lewis E. Lawes, for many years Governor of the Prison, who was also, I believe, concerned with the scenario. Mr. Lawes believes, and has proved it in practice, that the humane treatment of prisoners pays; it may or not reform a convict if he is put on his honour, but the process certainly makes a prison easier to run and the life of its inmates far more bearable. The exhibition of this doctrine on the screen is propaganda in the best sense of the term, and the film also serves as propaganda against capital punishment, of which Mr. Lawes is not greatly enamoured. But I do not think that "Twenty Thousand Years in Sing Sing" contains more pill than jam. It is a vital, moving, and arresting piece of work, a magnificent drama of reality. and an almost flawless production, without a single jarring note. I emphasise this last point, because this is exactly the type of picture where it would be so easy for the director to go astray, either by exaggerating the grimness of the theme, or by touches of sentimentality. Michael Curtiz, whom I herewith forgive for "Noah's Ark," has maintained a perfect emotional balance throughout. Add that the film is fast moving, admirably acted, cast, photographed, and edited, and you will realise why I ask you to make a point of seeing it on its general release.

The surprise of the film is the acting of Spencer Tracy, who has hitherto shown himself chiefly as an agreeable comedian, but now reveals himself as an artist. Among the rest of the cast, mention must be made of Arthur Byron as the Prison Governor, Warren Hymer as a convict, and Bette Davis who plays a small but difficult part with conviction. Owing to a certain similarity of theme, "Twenty Thousand Years in Sing Sing" is bound to be compared with "I am a Fugitive from a Chain Gang"; I consider the former to be on the whole the better picture, but it would be a mistake to stress the comparison, since the similarity is largely superficial. But Hollywood has done something of great interest and value by furnishing us with so striking a contrast in the differences of the American prison system, which at its best is probably the most humane and the most scientific in the world, while at its worst it is characterised by a barbarity that is literally mediaeval.

My second film is "The Conquerors," which goes to the New Gallery on Sunday. This picture was, quite frankly, brought to my notice as setting out "to show that all periods of depression have been followed by eras of prosperity," while it is also officially described as "an outstanding contribution not onlv to entertainment, but to the rehabilitation of the public's confidence in the future." Such frankness is disarming enough, but it did not prevent me from anticipating a second "Prosperity," in which an attempt would be made to engender facile and unwarranted optimism by means of the crudest economics. I came prepared to scoff; I left in admiration. Not that much of "The Conquerors" is not opium for the masses; the banker is represented (as in "Prosperity") as a high-souled public servant who works not for his own advancement, but for the benefit of the community—which is understandable when one knows that Hollywood is to-day an appendage of Wall Street; stress is laid throughout the picture on the manner in which the United States have recovered from previous panics and depressions; and the lesson that it is sought to drive home is that "All we need is a little courage to build for the future." In other words, the screen has now allied itself with the Press and the politicians in that conspiracy of silence that is willing to admit, if need be, that the present economic crisis is the most serious of which we have any record, but that refuses to admit that it is qualitatively different from its predecessors

But "The Conquerors" also happens to be a good film. It is at the same time excellent historical reconstruction—its action endures from 1873 to the present day, and the picture is what "Cimarron" might have been but was not—an admirable cinema. There is some admirable photography, on Russian lines, and some magnificent pure film. As regards the latter, there are two quite exceptional sequences. One indicates, first, a boom and then a panic by gradually mounting and collapsing columns of dollars, whose rise and fall are reflected by the facial play of spectators shown in close-up, who raise and lower their heads as the columns rise and fall. In the other, a series of graphs showing the advancing prosperity of the United States during the post-war period of expansion is superimposed on a jagged hillside, of which the summit crumbles as the descent begins from the top of the crest. There is not only something that the film alone can do, but which it can do in the most convincing manner with the utmost economy of time and means.

"The Conquerors" suffers to some extent from lack of entire cohesion, possibly because of the ambitious nature of the theme. Incidentally, another Russian characteristic is that most of the individual players do not matter so much as the theme; they are types rather than persons of the drama. The picture has some technical imperfections; certain of the interior sequences are too long and upset the rhythm in addition to slowing down the dramatic tension; and one of the female characters, who must be at least forty-five at the beginning of the story, does not appear to have aged perceptibly by the Armistice. But against these not very serious defects can be set the very effective use of silence in a few sequences, and an outstanding scene in which one of the characters shoots himself just as his wife is being delivered. The spectator sees two doors; behind one comes the sound of a revolver shot and behind the other the cry of the new-born infant. "Life goes on."

I recommend "The Conquerors" as a picture very much out of the ordinary run. It is directed by William Wellman, and the cast includes Richard Dix, Ann Harding, and those accomplished veterans, Guy Kibbee and Edna May Oliver.

Faithless: Empire.

Hollywood would definitely seem to have determined to make filmgoers conscious of the world depression. The leit-motif of this film—a quite good melodrama in which Robert Montgomery overshadows Tallulah Bankhead—is that the times are so bad that a man is lucky to get any job, and that any job is difficult to get. There is no soothing syrup in "Faithless," no preaching that prosperity is just round the corner and that the present crisis will pass away as have others. We are even shown a soup kitchen in New York, which has to shut up for the night before it can feed all the applicants. I was so interested in the background that I did not pay much attention to the drama, which is not strikingly original, and is in spots reminiscent of such divers works as Pinero's "Iris" and Stephen Phillips's "Marpessa." Miss Bankhead has a considerable stage following in the West End of London; this is the first occasion on which I have seen her on the screen, and if "Faithless" is her greatest picture—as per small bills—I find no great cause for regretting that I missed her previous films.

There is also at the Empire a most amusing Laurel and Hardy, "Their First Mistake." DAVID OCKHAM.

LETTERS TO THE EDITOR.

LOANS AND RESEARCH WORK.

Sir,—In his speech at the annual meeting of Lloyds Bank, Mr. Beaumont Pease referred to loans which his bank had under consideration to finance research work, such loans to be made "*for comparatively short periods.*"

I suppose it is beyond dispute that the most indestructible form of capital asset is scientific knowledge based upon research.

Having this in mind, is it too much to ask Mr. Beaumont Pease, as representing the head of an important bank, whether bankers have (1) any theory whatever of the connection between the creation of capital assets and monetary values, (2) any cognate theory as to the relationship between the retirement of such monetary values and the destruction or otherwise of the capital assets they represent.

If, as would appear to be the case, bankers have no conception of any desirable relationship between these factors in the modern industrial system, is it their contention, as was, in fact, stated by Sir Frederick Williams Taylor before the Banking Commission in Ottawa in 1923, that "they are merely practical bankers, and are not concerned with, nor responsible for, questions of this character"?—I am, yours faithfully,

C. H. DOUGLAS.

WEST RIDING DOUGLAS S.C. ASSOCIATION.

Sir,—As a result of the insertion in your columns of our resolution suggesting the desirability of a National Conference of Douglas Social Credit supporters, I am now in correspondence with several other Associations on the matter, and should be glad to have any further intimation from other organisations as to their point of view.

The West Riding Association is at present concentrating on producing a "Prospectus" stating the Douglas Analysis and Proposals as concisely as possible, with particulars of suitable books, etc., for broadcast distribution, and I should be glad to receive copies of any such at present in existence.

J. J. TAYLOR,
Secretary.

SOCIAL CREDIT AND FLUID CAPITAL.

Sir,—Would you mind helping me, as a keenly interested student of Douglas Social Credit, on two points which arise out of my reading?

(1) Douglas's "The Monopoly of Credit," p. 18. I cannot understand precisely what the *italicised* letters stand for in this mathematical proof. Douglas just says "differentiating with the respect to time"—but I'm afraid I don't follow. Perhaps there are others as stupid as I am, too.

(2) Granted that the Douglas diagnosis of our ills is correct and that his system of discounts on purchase vouchers plus National Dividends is started, one thing will, I think, happen, the effect of which is not, so far as I know, discussed in any book that I have read. That is, the accelerated repayment of the capital of most firms, whether limited or unlimited companies. At present firms are satisfied if they can just manage to pay dividends on their capital, but with the aid of the Douglas system they will be able, and want, to do more, as the reduction of their costs by quick repayment of capital will be the one obvious way in which they can still compete against rivals.

There will thus be an enormous amount of capital liberated and returned to the shareholders. In other words, there will be a new large factor in the situation which has never occurred under the present system. What will be the effect of this factor on the new system, which is proposed to meet the *present* case? How will this repayment be reckoned in the National Accounting—how far will it affect the issues of new money and the amount of dividend? (The new sources of purchasing power will, it seems to me, be one more:—

(a) Remission of taxation,
(b) National Dividends,
(c) Discounts on purchases, and
(d) Repayment of already invested but, at present "frozen," capital).

J. T.

[The above is a private letter, to which a private reply has been sent. If any readers would like to communicate further answers to our correspondent we shall be pleased to forward them on.—ED.]

A NEW SOCIETY.

Sir,—It has been borne in upon me, reading last week's speechifyings by our political and economic "leaders," that one more society might appropriately be formed for them—the Federation of British Imbeciles.

P. Q.

Events of the Week.

(Compiled by M. A. Phillips.)

January 28, 1933.

Paramount Film Corporation bankrupt.

Bank returns (cancelling previous figures). Aggregate for all English banks. (£ millions.)

	1930.	1931.	1932.
Deposits	1,700	1,600	1,700
Loans	1,400	1,300	1,200
Investments	240	240	400
Cash	230	180	250

Ford alleges his strike troubles are caused by a bankers' plot against him.

McKenna (Midland Bank) announces himself a *rational* inflationist.

Labour trouble in Denmark over wage cuts.

Bank servants' wages cut.

January 30, 1933.

Resignation of French Government on economy and taxation proposals being rejected. More riots and disorder in Paris and elsewhere.

Resignation of German Government.

Irish election; de Valera, 77; Cosgrave, 48; Centre, 11; Independent, 8; Labour, 8; Independent Labour, 1; Government, 86; Opposition, 67.

Gold shares still rising.

Political crisis in New Zealand.

Unemployed riots in Cologne and elsewhere.

Bullitt (Roosevelt's representative) sees French statesmen after leaving MacDonald.

Canadian dollar still falling.

January 31, 1933.

U.S Fleet to concentrate in Pacific for winter manoeuvres. Japan protests.

Ulster railway strike over wage cuts.

Hitler becomes German Chancellor; Hugenberg's Cabinet; no change in *Foreign* and *Finance* Ministers; riots in Berlin.

U.S.A.: United Steel dividend.

Unemployed man breaks into Bank of England.

Gold shares boom.

Revenue figures to date. (£ millions.)

	1932	1931
Total income	511	539
Total expenditure	615	627
Income-tax	127	165
Customs, etc.	240	220

February 1, 1933.

London firemen's wage cuts postponed.

U.S. Steel Corporation's loss £18,000,000 in 1932; dividend reduced from 7 dollars to 50 cents. Wall Street staggered.

Ford dispute over.

Bank of England continues to buy gold.

Insurance companies suspend foreclosure on many U.S. farmers' mortgages.

Hitler announces no "experiment" with finance and currency to reassure bondholders.

February 2, 1933.

Bank of England's gold holding now £126,000,000.

More conversion schemes for India.

Ulster rail strike; train derailed; two dead.

Illegal incomes ruled subject to income-tax by High Court.

Germany: Centre Party refuse to co-operate with Hitler; Reich dissolved; new elections on March 5. Hitler's unemployment policy; forced labour.

Gold share boom goes on.

Borah states that if coming Anglo-American debt discussion omits "other questions" conference will be waste of time.

West Australia talks of secession.

February 3, 1933.

Communist meetings banned in Prussia.

Social Credit Directory.

Birmingham.—Walter F. Pratt (Secretary, Social Credit Association of Producers, Distributors, and Consumers), 202, Malmesbury Road, Small Heath, Birmingham.

Birmingham.—G. Kay, Group Secretary, Birmingham Social Credit Group, "Marchmont," Old Croft Lane, Castle Bromwich.

Bournemouth.—W. V. Cornish, Hon. Sec., Douglas Credit Study Group, 5, Lansdowne Road, Bournemouth.

Cleckheaton.—J. J. Taylor, West Riding Social Credit Association, Claremont House, Cleckheaton.

Clydebank.—Miss Hilda M. Monaghan (Secretary of the Clydebank Social Credit Study Circle), 384, Kilbowie Road, Clydebank.

Coventry.—G. Hickling (C.O., Legion of Unemployed), 54, Poole-road, Coventry.

Coventry.—Robert J. Scrutton (General Organising Secretary, Social Credit Association of Producers, Distributors, and Consumers), St. Peter's Vicarage, Coventry.

Coventry.—"The British Crusader"; published by G. Hickling, 54, Poole Road, Coventry. (1d. monthly.)

Coventry.—"This Prosperity"; edited by Robert J. Scrutton; published at St. Peter's Vicarage, Coventry. (2d. monthly.)

Dublin.—T. Kennedy, 43, Dawson-street, Dublin.

Dukinfield.—Arthur Clarke, 149, Cheetham Hill Road, Dukinfield.

Eastham, Cheshire. R. Oakley, 172, Raeburn-avenue, Eastham, Cheshire.

Edinburgh.—"The Free Man"; published by the Scots Free Press, 1, India Buildings, Victoria Street, Edinburgh. (2d. weekly.)

Falkirk.—Mr. A. F. Stewart (Secretary of the Falkirk Douglas Association), 13, Carronside Street, Falkirk, Stirlingshire.

Glasgow.—W. J. B. Jones (Secretary, Glasgow Douglas Credit Association), 47, St. Peter's Street, Glasgow, C.4.

Greenford.—M. Phillips, Oldfield Cottage, Oldfield Lane, Greenford.

Hove.—D. G. Phipps, 24, St. Aubyns, Hove, Sussex.

Keighley, Yorks.—Arthur Emmott (Secretary of the Keighley Social Credit Association), 13, Riverside, Keighley, Yorks.

Leicester.—A. H. Rawnsley, Leicestershire Douglas Social Credit Association, 19, Albion Hill, Leicester.

Lewisham, S.E.—"Crisis"; published by the Legion of Unemployed, 38, Cliff View Road, Lewisham, London, S.E.13. (1d. weekly.)

Liverpool.—E. J. Pankhurst, 22, Beckenham Avenue, Wavertree, Liverpool.

London.—"Front Line." (Kibbo Kift.) First number issued in May, 1932; 8 pp., 3d., annual subscription, 3s. 6d. post free. Editorial address, BM/Kift, London.

London.—"Leisure" (Bulletin of the Leisure Society), apparently issued to members. Particulars can be obtained from the Editor, BM/Leisure, W.C.1. The first number (December, 1932) consists of 7 quarto leaves of duplicated typewriting.

London.—Kibbo Kift. General Secretary, BM/Kift, London, W.C.1. *Associates' Branch* (K.K.), Organising Secretary, 49, Denman Drive North, Golders Green, N.W.11. *Women's Section* (K.K.), Organising Secretary, 11, Carmalt Gardens, Putney, S.W.15.

London.—Cyril H. Rock (Secretary of the Leisure Society, of 1, St. George's Square, Westminster). Private address: 2, Ribblesdale Road, Hornsey, N.8.

London.—"The New English Weekly"; published at 38, Cursitor Street, London, E.C.4. (6d.)

London.—The Leisure Society. Correspondence to Hon. Sec., BM/LEISURE, London, W.C.1.

Manchester.—T. C. Wrycroft, Hon. Secretary, Manchester Douglas Social Credit Association, 4, Piccadilly, Manchester.

Newcastle-on-Tyne.—J. W. Coward, Assistant Secretary, Newcastle Douglas Social Credit Group, "Deepdale," Holly Avenue, Fawdon, Newcastle.

Newport, Mon.—C. R. Bence, Hon. Sec., Newport and District Social Credit Association, Caer-bryn, Bettws, Newport, Mon.

Oxfordshire.—E. C. Knight, Chinnor Hill, Oxon.

Sheffield.—L. Wakefield, Hon. Sec., Sheffield. Social Credit Group, 53, Brunswick Street, Sheffield, 10.

Stourbridge.—F. H. Fitzcross, Oxford Cottages, 39, Heath Street, Stourbridge.

Watford.—W. Coles, 18, The Crescent, Watford.

GLASGOW DOUGLAS CREDIT ASSOCIATION.

Under the auspices of this association the four following public lectures will be held in the Christian Institute, Bothwell Street, Glasgow, each meeting commencing at 8 p.m. All interested invited. Questions welcomed.

Tuesday, February 14.—Subject: "Natural Principles of Douglas Social Credit." Speaker: A. McLellan.

Tuesday, February 21.—Subject: "The Next Great War and the Utter Futility of League Action to Avert It." Speaker: Wm. Finlay.

Tuesday, February 28.—Subject: "Technocracy and Douglas Social Credit." Speaker: J. Longden.

Tuesday, March 3.—Subject: "Ruskin . . . Unto This Last and the New Economics." Speaker: Ex-Baillie P. McDevitt, J.P.

After the conclusion of these lectures our usual series of six class lectures for beginners will be recontinued. Syllabuses of these class lectures can be obtained at any of above meetings.

LABOUR ON SOCIAL CREDIT.

"We have done our best to understand and to give full weight to the scheme."—(Labour Party Report of Committee on the Douglas-NEW AGE Credit Scheme.)

"The Labour Movement will be active when the NEW AGE scheme lies among the dry bones of discarded creeds, and Douglas joins the shade of Attwood in mournful contemplation of dusty and futile volumes in the catacombs of the British Museum."—(Arthur Greenwood, in the "Labour Magazine," August, 1922.)

UNCONSCIOUS HUMOUR DEPARTMENT.

"The township is constantly attacked by marauding gangs of robbers, and Roger seizes his opportunity. He opens the first bank in Nebraska!" From the publicity matter on the new American propaganda film, "The Conquerors."

"THE LEISURE SOCIETY."

Mr. J. E. Tuke, author of *Outside Eldorado*, will give the Leisure Society ("The Society of Foresight") an address on "Some Attempts to Put Over the Douglas Credit Theorem" on Tuesday, February 14, at 269, Gray's Inn Road (King's Cross end), W.C.1. Visitors will be specially welcome to this meeting, which will begin at 7.30 p.m.

R.E.W.
BM/Leisure, W.C.1.

FORTHCOMING MEETINGS.

Newport, February 14.—Lord Tavistock on "Poverty and Over-Taxation: The Obvious Remedy." Mr. W. J. T. Collins, editor of the *South Wales Argus*, will preside. C. R. Bence, Hon. Sec., Caer-Bryn, Newport, Mon.

The Adult Schools, Ward Street, Guildford, Sunday, February 12, 9 a.m., an address on Credit Reform will be given by Lieut.-Colonel S. R. Normand, D.S.O., entitled "Leisure—Our Heritage."

Notice.

All communications requiring the Editor's attention should be addressed directly to him as follows:

**Mr. Arthur Brenton,
20, Rectory Road,
Barnes, S.W.13.**

Renewals of subscriptions and orders for literature should be sent, as usual, to 70, High Holborn.

The 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.

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