

# THE NEW AGE

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

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## NOTES OF THE WEEK.

### Newfoundland.

In *The Times* of February 23 will be found a leading article entitled "A Newfoundland Inquiry." We propose to analyse it, and for that purpose we reproduce it verbatim. Our reason is that it exemplifies the policy always subserved, and literary technique always employed, by *The Times's* leaders whenever financial and economic problems are the objects of their survey. So whatever may be disclosed by our method of analysis on this occasion can be disclosed by applying the same method to all their other leading articles on this subject, past or future.

The basis of this article, as of all others, is a story, that is, a recital of events. The main events recited (as will be seen later) are these:—

H.—Newfoundland has been in Budget difficulties.

I.—(1) A crisis occurred in 1931: (2) advisers were called in who (3) enforced drastic economies.

J.—Last spring Parliament House was invaded and wrecked by an "angry mob."

K.—Squires' Government was overthrown, and Alderdice's came in.

L.—The Alderdice Government (1) failed to meet debt-charges due to Britain and Canada, (2) received a loan from them, (3) agreed to the appointment of a financial Commission.

M.—Thomas now announces composition of the Commission, which starts work "next month."

These six events make *The Times's* story. But it is not a complete story—it is a part of one: and that is why we have lettered the items from "H" onwards instead of from "A." We will now fill in some main events belonging to the prior period covered by A to G.

A.—The world's bankers stopped paying in gold at the beginning of the war, and expanded paper currency and credit.

B.—The expansion was accompanied by in-

flated prices—a consequence foreseen as inevitable by the bankers.

C.—At the end of the war the Bank of England and the Federal Reserve Board prepared in concert to contract currency and credit in their respective areas.

D.—In 1920 the policy began to operate, and the deflation of prices commenced—a consequence foreseen as inevitable by the bankers.

E.—Meanwhile Mr. Montagu Norman had been made Governor of the Bank of England, and thenceforth acted as the common agent of the British and United States Central Banks with the special diplomatic mission of persuading the Central Banks of Europe and elsewhere (some of these Banks being created for the purpose) to fall into step on the deflation policy.

F.—His mission succeeded—with the eventual result, foreseen as inevitable, that there has been a worldwide slump in prices.

G.—The Budgets of the world's political Governments, i.e., the Political World-Budget, has to equate revenue corresponding to the *post*-slump price-level with expenditure corresponding (as to one half of it) to the *pre*-slump price-level.

It is at this point in the whole story where *The Times* commences its own story. And here is how it tells the story:—

### "The Times's" Tale.

Like every other country, though rather more than most, Newfoundland has been in Budget difficulties through the continuous fall in the prices of those commodities on the sale of which she depends.

1. In her case, as in some others, these difficulties have undoubtedly been intensified by past Governmental extravagance and mismanagement.

2. There was a serious crisis in 1931, which drove public opinion in the Dominion to insist that a determined effort should be made to put the finances in order.

3. Advisers from Great Britain and Canada were appointed with the power to act practically as

controllers of expenditure; and drastic economies were enforced.

4. The situation was, however, complicated by the growing unpopularity of the Prime Minister, Sir Richard Squires, and other members of the Government, against whom very grave charges were brought, including one of falsifying the minutes of the Council.

5. There was a widespread agitation for an inquiry, and a public meeting to press this demand culminated last spring in a serious riot, during which the Parliament House was invaded and wrecked by an angry mob.

6. The Government was forced to go to the country and in the ensuing election only succeeded in retaining a couple of seats in the House of Assembly.

7. The Opposition under Mr. Alderdice polled over 70 per cent. of all the votes cast.

8. Mr. Alderdice formed his Government last June and there is general agreement that the new Ministers have worked hard and courageously to bring order into the financial situation.

9. Things had, however, already gone too far, and a further fall in prices made it impossible for them out of their unaided resources to meet the January instalments on their external debt. Both Great Britain and Canada were deeply interested in preventing a suspension of payment and intervened to enable the instalments to be met.

10. During Mr. Bennett's recent visit to London it was arranged that the Newfoundland Government should receive an advance of \$1,250,000, half from Great Britain and half from Canada, and that a Commission should be appointed to inquire into the future of Newfoundland and in particular to report on the financial situation.

11. Mr. Thomas was able yesterday to announce the composition of this Commission, which is expected to begin its work early next month.

12. There seems every ground to hope that the Dominion will have a prosperous future once the causes have been rectified which have brought about the present critical position.

#### No Human Intervention.

Notice that the author of the article avoids imputing responsibility to any person or persons whatsoever for the existence of the main problem facing Newfoundland. He does allude to "extravagance" and "mismanagement" by the old Government, but not as causing the problem, only "intensifying" it. And his allusion to the alleged falsification of minutes has an even more remote relation to the problem. Throughout his article nobody does anything causally referable to the problem. The Newfoundland problem is held out as being an effect, or an aspect, of a world-problem which, for all he lets out, apparently caused itself to happen. Thus his opening paragraph is, as it were, pasted over items "D" to "F" of the true story of causation, which shows the whole trouble in Newfoundland to have been the consequence of the Government's efforts to fulfil duties exacted from it by International Financiers, efforts which, insofar as they were successful financially created a situation intolerable economically and socially. "There was" a crisis, says he. "There was" an agitation, says he. "There was"—"difficulties have"—"the situation was"—"there is"—"things had"—"a fall in prices made"—"it was"—"there seems"—"a crisis drove public opinion"—and so on—every link in the chain of causation (to call it such) being an impersonal one. The only people in the picture who figure as agents of any relevant act are the Alderdice Ministers; and their act takes the form of failing in an attempt to act!

#### The Tale Examined.

Let us now indicate in more detail the true financial interpretation of the history distorted by *The Times's* political narrative.

Paragraph 2.—"Serious Crises" do not happen by themselves. The crisis in 1931 was a financial crisis, and was in nature the inevitable manifestation in the political plane of the discontents created by the stealthy sapping of economic security by the bankers through the medium of credit-manipulation. Such crises are bound to happen some time or other—for reasons shown in Major Douglas's Analysis of the Credit System—also, additionally, their occurrence can be timed at will by the Credit Monopoly for reasons shown in Major Douglas's description of the structure of Financial Government, and confirmed (among other orthodox expositors) by Clarke in his *Outline of Central Government*. When the crisis of 1931 occurred public opinion "was driven to insist," etc., etc. Yes, but *who* drove it?—and to insistence *on what?*—and *how* could the insistence of "public opinion" enforce a change in Government policy? The true story is that the bankers precipitated the crisis, then they so interpreted its cause as to leave "public opinion" no alternative but to acquiesce in the cure indicated by the interpreters. It stands to reason that when once they got the people of Newfoundland to believe that their existence depended on keeping the Budget balanced, and that the depletion of their means of doing so was an Act of God (i.e., a fall in world prices) the people would be "driven" to choose between yielding up the necessary taxes or renouncing the reliefs accruing from Government disbursements. And so it happened. What the bankers did was the same thing as if a Burglary Insurance Combine privately organised robberies, thus producing a "crisis" which "drove public opinion to insist on universal compulsory insurance against burglary at whatever rates the Government decided were actuarially sound—the Government, of course, deciding by the advice of the Combine.

Paragraph 3.—This passage means that the top bankers of Britain and Canada appointed two dictators to supersede the Squires Administration, as well

Paragraphs 4 to 7.—This Administration, now being constitutionally debarred from interfering with the Dictatorship, its prestige and honour were no longer the concern of the bankers. When "grave charges" were brought against Sir Richard Squires and other Ministers and "public opinion" "insisted" on an inquiry, the insistence was not successful. The authors of the allegations were not, nor have been since, called upon to prove their statements. The people had a riot instead; and afterwards an election—the resulting defeat of the suspected, but not convicted, Squires Administration presumably assuaging their injured feelings. It is a pretty safe bet that if there had been any tampering with the "minutes of the Council" it was not in respect of anything the bankers cared about—which is another way of saying that it lay outside the region of financial policy and was therefore not really worth the people's while to concern themselves with.

Paragraph 8.—The statement that the "new Ministers" have "worked hard and courageously" suggests that the previous Administration began to get slack and cowardly—and that it was on this account that the bankers decided to clear it out, and hurried forward a crisis to do so. Any Administrator who is not a fool must in time realise the futility of what he is set to do; and any Administrator who has not had all the humanities trained out of him in the University of High Finance must sooner or later begin to have moods of squeamishness about the consequences of his acts, and of resentment at having

to bear responsibility for unpopular policies which he has not inspired. All these things tend to engender something of a spirit of defection among the older and cleaner hands in the game, and to that extent render it advisable from the bankers' point of view to supersede them with new hands whose personal ambitions, altruistic ideology and ingenuous optimism make them blind or indifferent to the consequences of their acts. The new blood is necessary to preserve the strain of callousness in the Administrative body.

#### New Brooms for Old.

Paragraph 9.—Thus, with the new Administration in office, loosening its muscles and rubbing its hands at the prospect of taking strong action, and backed by the previously engineered confidence of the public, the bankers considered it safe to give Newfoundland another dose of "economy." While it cannot be said that they brought about the "further fall in prices" outside Newfoundland as a special device for justifying their policy inside, they had long previously known, by reason of their international affiliations, that world-prices must continue to fall as a consequence of international policy, and that the fall would throw Newfoundland's Budgetary calculations into disorder. So there is every probability that they hurried the Squires Administration out of office before the new slump took place. For they would not be able to trust a disillusioned and distracted Administration to resist the temptation either to resign office or to follow the example of Mr. Lang in New South Wales, and decide on suspension—perhaps repudiation—of external debt-obligations. There was thus a strong reason for sweeping the citizens' pockets thoroughly clean, it was obviously advisable to requisition absolutely new brooms, especially as the bankers were able, by reason of their control of the means of public political education, to stampede the aforesaid worthy citizens to "insist" on the employment of new brooms. Anyway, this is what the electorate did; and by doing so they exchanged Squires' whips for Alderdice's scorpions.

#### Scrapping Squires.

It is instructive to note with what adroit economy means the chef of *The Times's* history-kitchen disguises the content of these events. "Things had, however," he says, "gone too far. . ." What things? Presumably the clue is given in the next part of the same sentence, which continues: "and a further fall in prices made it. . ." and so on. The suggestion seems to be that the further fall in prices was caused by the aforesaid "things" going too far. Another clue is afforded by the inclusion of the word "however." This little bit of garnishing, thrown in like a sprig of parsley, has the effect of suggesting that the "things" which went too far would not have gone too far if Mr. Alderdice had replaced Sir Richard Squires earlier. The "things," if that were so, would have been controlled by Sir Richard Squires; but in that case, by the writer's own statement in his opening paragraph the "things" cannot apply to the fall in prices, much less to the cause of the fall; for the fall was universal and Newfoundland felt the effects like every other country," as he says. Again, the prices which fell were those of "commodities on the sale of which she"—i.e. Newfoundland—"depends." That means prices for exports—prices obtainable in the world-market—world prices. So if Sir Richard Squires is to be held responsible we must look farther for the things which he allowed to go too far. The writer alludes to two—"extravagance" and "mismanagement," but himself only

regards them as intensifying factors in an uncontrollable situation.

#### "Extravagance" and Default.

Passing over "mismanagement" (a word with no meaning away from a precise context) and considering "extravagance" as meaning what bankers mean by it, namely a high rate of Government expenditure balanced by taxation, or any rate of expenditure not so balanced, it would not appear to be a cause of the difficulty facing the new Administration. For on the assumption, which the bankers encourage public opinion to make, that all taxes raised from the community go back to the community through Government disbursements (including interest on debt—the recipients of which are held out as being private citizens, many of whom need it to live on) the "extravagance" of one Government does not restrict the scope for subsequent economising on the part of another. And if the first Government disburses more money than it raises, it enlarges the scope for subsequent tax-leaves by putting extra money into the hands of the community. It is true that it incurs a debt to the bank to the amount of the difference, but per contra it adds to the resources of the community the money to meet the debt—in other words, increases their taxable capacity for the new Government to tap. Such a conclusion is inevitable on the above assumption that a Government's fiscal policy redistributes among the community a volume of money which remains unchanged during its journeys into and out of the "clearing-house"—the Exchequer. To show that Squires had contributed to Alderdice's failure it would have to be shown that he had reduced the resources of the community by withdrawing credit from circulation and keeping it out of circulation. That *can* be shown; but when the whole story was told it would be seen that he was an agent of the bankers when doing it, that Alderdice is another agent, doing the same, and that he, in turn, is contributing to the failure of the Administration which is to follow his.

#### The Bank-Parlour Deal.

Mr. Alderdice's failure to meet the January instalments on external debt is properly the failure of the twin dictators put in to control Newfoundland's finance. These bailiffs of the British and Canadian bankers, after entering on the property made a thorough search of it (like Means-Test officials do) and had to report to their employers that the debtor could not pay anything on account and keep alive to pay some more. So they agreed together to suspend the payment. But they went through the elaborate form of disguising themselves as the political Governments respectively of Great Britain, Canada, and Newfoundland, and in those rôles, of performing the reciprocal lending and borrowing transaction described. They did it that way because they wanted to make the taxpayers of Britain and Canada the legal guarantors to the investors in Newfoundland debt. They could not openly pledge the taxpayers on their own account without admitting responsibility to them for what they did; and on the other hand they could not lend the money on their own account without admitting their capacity to lend it abroad at a time when they were refusing to risk it at home. So they got the Governments to act in the rôles of principals. By doing so they secured the eventual constitutional privilege of calling for the assistance of His Majesty's forces to enforce the fulfilment of their private contracts. And, as the history of Mr. Lang's administration showed, there is no difficulty in whipping up "public opinion" to "insist" on armed force against defaulting States. The bankers' mere warning: "If they don't pay you'll have to" is

quite sufficient. "Both Britain and Canada (sic) were deeply interested in preventing a suspension of payment," says the writer of the article. Seeing that the Governments of the two countries were trustees for the taxpayers, the only interest they would have in the affair, and could reasonably have, would be in not doing the very thing they did, namely to excuse Newfoundland the instalment, to authorise their respective banks to pay the stockholders, and to debit the amount to the taxpayers.

### A World Peace-Loan?

The ramp is all the more scandalous because the actual creditors in the case are practically all credit-manufacturers or the associates of such—banking or insurance institutions. As readers of this journal know, it need not make a pennyworth of difference to the taxpayer if every Government debt were wiped out—a basic fact which alone makes feasible the current talk about "all round cancellation of debt"—a slick phrase intended to suggest reciprocal forgiveness of comparable debts, whereas what it will mean in practice is the United States' forgiveness of the world's debts. Does anyone who saw the news from the United States last Sunday imagine the American taxpayers footing the bill? Nor do the bankers. What they will do will be to write off the debt as a debt on certain conditions (disarmament all round for the nations, and an armed force for themselves). Then they will probably "issue" a World Peace Loan secured on what they will call the New Confidence inspired by the abolition of Militarism (the Oxford Union are paying the way with their fatuous resolution: Wrong or right, we won't fight). The issue will be in form only; the subscribers will be the world's bankers, who will "subscribe" by printing Peace Bonds to replace the cancelled War Bonds. The all-round Cancellation will be all-round Conversion.

### Austria and the League.

Ever since Austria made that tentative experiment in selling bread at under cost something sinister has regularly been happening to Austria. This ward of the "League of Nations Chancery" has been in a worse state of destitution than any other country in Europe. With no vestige of military defensive force she has been the trial-ground of the most callous experiments in deflationary legislation. Last January a large consignment of rifles and machine guns was sent from Italy to Austria. *The Times* tells the story (leading article, February 24) in the course of which it says that the news of the arrival of the arms "reached the ears of the Socialists," who, of course, made a fuss about it. (Socialism in its pacifist aspect is an intelligence-organisation which mans listening posts on the bankers' front for the bankers' information.) After some talk the Governments of the Little Entente "decided in principle to bring the matter before the Council of the League." But "in view of the feeling aroused" (by the reports of the Socialist listeners—whose feeling is not stated) the Foreign Ministers of Great Britain and France suggested that they might perhaps be able to induce the Austrian Government to settle the matter out of court; and "the Ministers of the Little Entente accordingly agreed to stand aside." There was a "campaign of hysterical abuse" among certain organs of the Press in Italy, Germany, and Austria against France and Sir John Simon. But "the more sober elements in the Austrian administration fortunately (sic) gained the upper hand." The Government "decided to take the friendly hint" conveyed by the British Minister and by the French Chargé d'Affaires; and the weapons are being returned to the consignors.

### The Sale of Honours.

It would be interesting to know why Mr. J. Maundy Gregory was not proceeded against under the Act penalising attempts to obtain money by false pretences, instead of under the Act forbidding bargaining for Honours. The procedure of the prosecution had the effect of preventing his having the opportunity to give evidence to show that he was proposing a straightforward deal and was able to "deliver the goods." It arouses the suspicion that he could have done so. In any case, his mistake was in being ignorant of the unwritten law that the dispensing of Honours is ultimately the reserved prerogative of the Money Monopoly, its exercise being reposed (presumably) in the Patronage Secretary to the Bank of England, alias the Treasury. Prosecutions under this Act are, and will remain, an impudent ramp so long as the inner history of the Honours Lists (especially those between 1914 and the passing of the Act) remains an Official Secret. We are reminded of a jibe that was once current about Andrew Carnegie, namely that having made, and retired with, his pile out of steel behind the U.S.A. Tariff, he forthwith proclaimed his view that steel could get along without a Tariff. The real scandal centres round persons who got Honours without paying for them—and the reasons why. If that story were told the present "crime" of bargaining for Honours on a money basis would look innocuous by contrast.

(Later.) The above was written early during last week. It has since transpired (*News-Chronicle*, February 25) that Mr. Maundy Gregory was at one time in the Secret Service. This fact heightens the probability that his overtures were made in good faith, and that he knew how to execute the order he was asking for if he got the cash. If so he would have a clear defence to a charge of false pretences, and it is reasonable to surmise that the "Crown" thought it against the "public interest" for the public to know what that defence was. We suggest that if Lord Riddell wants a boom-feature for the *News of the World* he ought to get Mr. Maundy Gregory to tell his story.

### STUDY LECTURES IN BELFAST.

The Belfast Douglas Credit Group, in response to numerous requests, is holding a second series of six Study Lectures, in the Grand Central Hotel, at 7.30 p.m., on February 8, 16, and 23, and March 1, 8, and 15. Tickets for single lectures 6d., and for the series 2s. 6d. Mr. W. Adams, B.Com., B.Sc.Econ., is the lecturer for the series.

### "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)

### Official Secrets.

The reaction of the French to money-ramps is a lesson to the patient Englishman. Imagine English middle-class taxpayers demonstrating in the streets, or Somerset-House officials firing off warning blank-charges of short-term strikes, against the imposition of heavier taxation. Even more striking is a threat by French taxation officials to disclose publicly the names of bankster politicians who have been under-declaring their incomes or otherwise evading their taxes in the past. Then as to the shopkeeping classes, the majority voluntarily closed their shops on a certain day as part of the demonstration of protest, and saw to it that the minority followed suit even to the extent of applying physical intimidation to overcome their hesitation. Burke once said in the House: "You cannot indict a whole nation"; and it is equally true that a certain combination of Civil and Industrial Servants need not be of very large numerical dimensions to destroy the whole fabric of fiscal finance—that is to say, it needs comparatively little fraternisation between agents of the bankers and victims of the bankers to render high-financial indictments scrap paper and bank-inspired legislation inoperative.

There have been signs recently that the bankers are well aware of the risk, notably the fuss made in the House of Lords when Mr. Lloyd George wanted to publish Cabinet memoranda. At the present moment two cases are pending which involve alleged breaches of the Official Secrets Act—one in Ireland and one in London. And there are reasons for suspecting that the mysterious death of Mme. Vlory was connected with what must be a booming activity with the war-menace so close—namely the attempted buying of military secrets.

### Laws and Outlaws.

Sydney Redwood, editor of the *Irish News*, was fined £100 and costs for printing a letter from a correspondent in which the writer applied the epithets "liars" and "perjurers" to the Royal Ulster Constabulary. The charge was "making false reports" and "making statements calculated to be prejudicial to the preservation of the peace." The letter was written in objection to a proposal for the enrolment of members of the Royal Ulster Constabulary as a guard of honour for the Prince of Wales on his visit last November. (The case was reported in the *Liverpool Echo* of November 28.) Our object in publishing this item of news is simply for purposes of reference. According to the evidence, the writer of the letter brought no charge of lying or perjury against any member or members of the force; and counsel for the editor's defence was able to show that other newspapers had on occasions published just as extravagant general denunciations of the Pope and the Catholic religion, and to submit that the risk of breach of the peace was at least as great in those cases as in the one then before the court. But it was all to no purpose. The court evidently considered that the repute of the Constabulary was holier than that of the Holy Church. And so it undoubtedly is to the financial rulers of Ireland, especially since the Holy Father published his own denunciation of their despotic powers.

The affair is therefore now to some extent sub judice, and I must speak of the matter with restraint and without provocation.

One would suppose that the affair in question was a major point of law in process of adjudication by His Majesty's Judges. But nothing of the sort. "This affair" is nothing other than a bankers' conclave over the question of Inter Allied War-Debts. The gentleman who speaks of it so circumspcctly is Mr. Beckett, Chairman of the Westminster Bank. (See *The Times* of February 4, leading article.) We always knew that the bankers' decisions had the force of law, but we hardly expected that they would allow to be published such a clear indication that they regard them as such. It is amusing to reflect that Major Douglas's proposals for the settlement of the American Debt could be logically indictable under this concept as contempt of court.

### "The New Age" and "The Evening Times."

The *Evening Times* (Glasgow), of February 3, devoted nine inches of a centre column on its front page to a reproduction of the "Notes" in *THE NEW AGE*, of February 2, referring to the dumping of sewage into the Clyde and to the slowing-down of school-cleaning. The reproduced matter is boldly headed: "Glasgow's 'Economy Humbugs'—A Slashing Attack from London." Most of the "slashes" are faithfully recorded, including the parody of the "Land Song." This is a salutary reminder to certain London journalists that *THE NEW AGE* isn't dead yet.

### Velocity of Circulation.

A Mr. C. E. Ratcliffe, of Fairbridge-road, N.19, takes the prize for a letter in *Reynolds's*, of February 19. Assuming £5 worth of goods available for sale, he asks whether it is really correct to say that the consumer needs £5 to buy them. "Would not £1 suffice?" he says.

In the first place it would serve to buy the suit, the clothier with his pound could afterwards buy the table, the furniture dealer could obtain the boots, the bootmaker becomes possessed of the turkey; and the carpet seller would have a pound in his pocket to spend as he wished, and so on. Thus one pound, or any given sum of money, possesses elastic purchasing power. This basic fact seems to have been overlooked by those who propagate Major Douglas's methods."

Mr. Ratcliffe should do the sum again with a larger sum of money. Suppose a group of people clear the clothier's stock—say, £500. Assuming other traders' stocks are of the same value; then apparently the original £500 can sweep through the trading area emptying shops of goods to a total amount of £500 multiplied by the number of shops visited. You can imagine, say, ten traders sitting down to consume £5,000 worth of purchases; but it is not clear how they are to pay the manufacturers for this stock (if bought on credit) or for replacing it (if already paid for). Mr. Ratcliffe has overlooked the fact that there is such a thing as a costing system, and that unfortunately that does not recognise an "elastic" cost-recovering property in any sum of money. So, though his hypothetical £1 might cause £5 worth of consumption to take place, it would only enable £1 worth of production cost to be recovered by industry.

### Some Candour From Anderson.

"I invite you to turn with me to-night from politics to economics. We have been through a stormy political campaign. We take our politics seriously in the United States while the campaign is on. We get tremendously excited about things. We conjure up bogies and nightmares. Our imaginations are so good that we are even able to believe, for a time, in the caricatures which we create of opposing political parties and of opposing political leaders. But, when the campaign is over, Democrats and Republicans can sit down together at the dinner table and laugh about it. Things that looked terribly earnest and real while the campaign was on become good jokes afterwards. We accept the result. We have confidence in the good faith and the wisdom of a new administration, whichever party may succeed. We wish the new President well, we hold ourselves ready to co-operate with him at his call, and we go on from there.

The present economic situation is bad, extremely bad. But I believe, and I think that we all believe, that it is on the mend. I believe that the turn came in the banking situation when the Reconstruction Finance Corporation began to function. . . . I believe that we reached bottom in security values in June and early July, and I believe. . . . Of course, you know that exact prediction in economic matters is impossible, and that all that one can do is to analyse trends and underlying causes. A certain measure of prediction one must make every day as one takes practical action, and practical action in an uncertain world must be based on probability.

When England was forced off the gold standard. . . we came into an era in which fears were worse than facts. . . .

The drop in business from the high level of 1929 to the low level of the summer of 1931 was thoroughly justified. . . . further great drop in the year that followed. . . . was greater than the fundamentals called for and was due to the paralysing influence of fear, and fear of things that were now known were not going to happen."—Chase Economic Bulletin, November 17, 1932. Extract from an address delivered before the Illinois Manufacturers' Costs Association at the Hotel La Salle, Chicago, Ill., on Tuesday evening, November 15, 1932, by Mr. Benjamin M. Anderson, Jr.







precisely depend on how far we learn "to get off from oneself" and identify ourselves with and subordinate ourselves to the Will of the Universe, which would mean that the man in Christ would find himself committed to an unrelenting war with squalor, wretchedness, and despair on the one hand, and to an endeavour to engage all the suppressed genius of the race, architects, builders, engineers, artists, poets, thinkers, or what, to the enterprise of re-creating civilisation till men could look without shame upon their works and offer their complete achievement as a bit of the service of the Eternal Glory.

It is with some, at any rate, the conviction that, of all the social economies offered to the world in this time, the conceptions released by Social Credit and its founder seem the nearest approximation to "the Will of the Universe." Just as the miserable preachments of Bank of England orthodoxy—vide Dr. O. M. Sprague, "economical and statistical adviser to the Bank of England," as reported in the *Manchester Guardian* of February 21, appear to be the most shameless negation of Faith.

JOHN PEEL.

**"FAIRY TALES."**

Sir,—Your contributor, Dorothy Cousens ("Fairy Tales," *New AGE*, February 16) appears to overlook the fact that education is not solely the forcible cramming into child minds of a medley of uninteresting facts, the assimilation of which, with its attendant drudgery, has created the present futile democracy by killing the natural instinct to acquire knowledge. Education is rather the life-long accumulation of experience, largely unconscious, through contact with our environment.

Now that the banks have withdrawn the gold coinage and most of our gold trinkets are gone, there is no glitter of gold to inspire that childish desire of possession on which our whole gold standard is based. This is only perpetuated by our social environment.

A child's treasure should be expressed by an accumulation of those things he desires most. That this is not so must be blamed to many of his fairy tales, products of mankind's childhood—for these were new once. Others, if sufficiently attractive to the little ones, would be welcomed and many children, in an otherwise unfavourable environment, might unconsciously be educated, so that, when come to maturity, they would be more likely to realise that many of their day-dreams could be converted into fact.

R. L. DUCK.

[Owing to late arrival, letters from V. S. Moon, J. E. Tuke, and E. F. Duggan are held over until next week.—Ed.]

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