THE
NEW AGE

INCORPORATING "CREDIT POWER."

A WEEKLY REVIEW OF POLITICS, LITERATURE AND ART

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NOTES OF THE WEEK.

The German Election.

The victory of Hitler at the polls was assured directly Hindenburg appointed him Chancellor. *The Times*, which knows all the deep-sea currents of political diplomacy, pointed out at the time that the President's appointment amounted to the issue to Hitler of a "certificate of respectability," and calculated that it would overcome the scruples of many influential men who had previously resisted Hitler's advance towards power. Moreover, not only was there a *certificate*, but also a *guarantee*, of respectability; for President Hindenburg, by making the appointments he did to the Ministries of Finance and of Foreign Affairs, virtually sandwiched Hitler between, and handcuffed him to, two warders representing, so to speak, the Reichsbank for the one part and the Bank For International Settlements for the other. There was now nothing to deter any high-political interests, financial or otherwise, from backing Hitler; and there was much to induce them to do so, because of the use which they could make of Hitler's personality to command the co-operation of his following in the administration of major policies imposed upon that leader, however unpleasant they might be. The very rigidity of Nazi discipline, which was a menace to them while Hitler was at large, now became a safeguard to them. The Generals of Reaction had won over the General of Revolution, and with him his army. It was an easy thing to do because the Nazi rank-and-file never had a notion of what was their objective, much less of what were the means of reaching it. And it is clear now that Hitler himself is equally innocent as to ends and means. Students of Social Credit can see immediately that Hitler, by declaring that he requires four years of despotic power to establish his Plan, either has no Plan at all or has been roped into a Bankers' Plan. As the old music-hall song expressed it: "Since Jack Jones came into a little bit o' splosh, 'e don't know w'ere 'e are." The German for "splosh" would be "splosch," and the meaning of it in German would be "das Geld"—money. But call it Power—or Macht—and the moral is preserved.

No doubt the firing of the Reichstag expanded the size of Hitler's majority, but, for the foregoing reasons, he would probably have got a majority any way. They explain what the British Press regard as the "surprising" increase of the pro-Nazi poll in Bavaria. We will wager that there was no surprise in the City.

The American Situation.

[*Wednesday, March 8.*] Last week we described the big bankers of the United States as bankrupts usurping the powers of Official Receivers in respect of their own enterprises. The nominal Receivers are Governor Lehman (New York State) and President Roosevelt. Lehman (himself a banker) may be considered as the executive agent of the central banking interests and Roosevelt as the political authority who is to give legal force to the decisions taken by those interests. Roosevelt's jurisdiction covers the United States generally, while Lehman's covers New York State specifically. The reason for this Lehman Receivership within the Roosevelt Receivership is that geographically New York State is the seat of trustified banking, while the other States constitute the area of independent banking. Now, a dual ramp is to be worked. Its technical aspect was described last week, and consists in watering the currency, using the phrase in the same sense as one speaks of watering capital. Its political aspect has reference to the conditions on which the watered currency is to be distributed. These conditions will amount to the closing down or gobbling up of the independent banks by the New York banking trust. The great "Bank Holiday" declared on March 4 had been arranged by Harrison, Morgan, Lamont, Baruch, Young, and the rest of the Gold Gang, including Lehman himself, for precisely the same reason that the setting on fire of the Reichstag was arranged—namely to prepare people's minds for a Dictator invested with despotic powers. The idea that these gold gangsters were caught napping by the action of nervous depositors is a fairy tale. They planned to be taken by surprise; and they timed the surprise to coincide with the new President's assumption of Office. The parallel with the Reichstag fire is only inexact in the minor circumstance that whereas Hitler had yet to get a mandate from the electorate, Roosevelt had already got his. And even that difference is reduced to zero by the fact that Hitler was known to intend to hold on to power in any case. The fire would either secure him a mandate to become a Dictator, or, if not, would afford him ample excuse to become a Dictator without the mandate.

Roosevelt, then, in the rôle of the high political protector of small depositors, will order the rationalisation of banking. Having established the principle, the duty of administering it will obviously be regarded as a task for experts, and of course the greatest experts are produced in New York. Naturally Governor Lehman will be invested with the duty of supervising the administration and of giving the force of law (for which he already possesses full power) to whatever plans the experts work out. These plans will be based on the plausible principle that all "weak" banks ought to be absorbed by stronger ones or else go out of business. The fact that the banks which will be victimised under this principle are the independent ones will probably not be noticed by the public, or, if noticed, regarded as the automatic outcome of an impartial prudential policy.

Technically, of course, the gold gang have long been able to engineer the absorption or elimination of banks outside the Federal Reserve System by the same methods as have been successfully applied by the Big Five in this country. But they have been restrained by the Sherman anti-trust law of 1890 and subsequent legislation which strong popular hostility to monopolies has kept more or less effective. That is why Roosevelt is in the picture; and it is why his financial advisers have instructed and empowered him to act over the heads of Congress if it does not endorse his orders. It is significant to note that two days before the culmination of these gangsters' *coup d'etat* (Thursday, March 2) Lord Beaverbrook's organ, the *Evening Standard*, was pointing out that in spite of 5,000 bank failures in the United States there still remained 20,000, and conveying a plain moral in the comment: "American dread of monopolies in restraint of trade has brought about a more paralysing restraint of trade than Roosevelt [meaning the late Theodore Roosevelt] ever dreamed of." The article in question concludes with the reflection: "There may be inconveniences in the concentration of power in a few institutions, but the resulting stability is something for which America would be very grateful to-day." On March 8 Sir Walter Layton in the *News-Chronicle* speaks the same language, pointing out the "advantages of the British banking system" as against the "weakness" of the American system—a weakness which "Mr. Roosevelt's long-range plans will have to remedy." In the same article he gravely says of the new fabricated currency (called "clearing-house certificates") that the "Government (*sic*) is reluctant" to authorise its distribution among banks which cannot "*provide security*," because of the risk of "loss" to "the taxpayer" if such banks "failed in the end to meet their liabilities out of their own resources." Presumably he means that such banks may only be assisted provided they come under some control which will ensure that they do *not* fail in this manner. In other words, they must buy solvency with their independence. Mr. Roosevelt himself, in his talk on the wireless two weeks ago, made reference to "money-mongers" in a passage which was obviously intended to refer to the high interest-rates charged by the smaller banks—ignoring, of course, the fact that they were obliged to charge high interest because of the nature of the security (a lot of it agricultural) and that the risky nature of the security was due to the fact that the fate of agricultural enterprise was the last concern of the gold gang, who concentrated on short-term industrial credits. The fact is that the small banks are to be punished for not being able to live on the Combine's leavings.

[*Friday, March* 10.] Sir Walter Layton's "Notes of the Day" in the *News-Chronicle* since the foregoing section was written are a discreetly-worded epitome of what we have been saying—particularly his series under this date (March 10). He reiterates his suggestion that the crisis has been brought about by neglect to centralise the banking system and to co-ordinate and codify the many different State-laws regulating banking (there being, he says, no fewer than forty-eight distinct sets of State-laws in operation). Mr. Roosevelt's long-range task, he foreshadows, will be to repair this omission and tighten banking up into a uniform national system. Technically, this explanation of the crisis would not stand a moment's logical analysis. Its ultimate inspiration is political, and comes from New York. It undoubtedly represents what may be quite literally and faithfully described as the grudge of the gold gang against those who have resisted in the past the extension of the branch-bank system on the British model. It peeps out of an article by Professor T. E. Gregory (*Times, March* 8) on American banking, where he says:

> "This increase in the number of banks was due to the fundamental fact that banks *cannot operate all over the country*. American banking is dominated by the so-called 'unit banking' principle: each bank is *limited to a particular State* and to a *particular locality* in each State. Branch banking is recognised only in seven States of the Union, and national banks possess branch-banking powers *only in those States in which State banks possess such rights*." (Our italics.)

That is to say, the would-be banking monopolists were shut out of most States by a sort of prohibition-law, and in the few States to which they gained admittance they had to face competition on level terms.

Professor Gregory says that banking in the United States is primarily in the hands of five sets of institutions

> (1) National banks—these being the only banks "subject to uniform national legislation."

Parenthetically, notice the artistic touch in the use of the word "subject" as applied to a set of institutions which control the making of the laws to which they are "subject."

> (2) State commercial banks
> (3) Trust and loan companies
> (4) Savings banks.
> (5) Private banks.

As to the last item of the list, Professor Gregory remarks: "The latter are, however, important only in New York." There is a suggestion here that because private banks are only important in a particular locality they are of no particular importance nationally. As a matter of fact (and this qualifies our parenthetical comment just above) the people running these banks are the Master-Directors of fundamental banking policy, and insofar as the National banking institutions can be held to be "subject" to any external control at all, the control is exercised by these anonymous Elders of Finance—these stewards of the mysteries of Economic Vampirism. This analogy, again, is literally exact. A vampire was supposed to be a creature which came out of a grave at night in the form of a human being and sucked blood from sleeping men, women and children. To get a true picture of the universal operation of the banking system you have only to imagine such a thing as a range of orders or species of vampires the highest of which fed upon the one next lower, and so on down to the lowest who gathered the primary human life-blood which vitalised the whole vampire-kingdom. Even this

gruesome conception incompletely conveys the full significance of process. To realise it in full you would have to conceive the master-vampires not as the legendary creatures who drank blood because it was their nature to do so, or because it was a condition of their existence, but rather as the high priests of a vampire kingdom who collected the blood for a sacrifice. In short, you have to impute to them something more than natural motivation, something even more than rational motivation, something akin to religious motivation.

Readers of this journal will instantly grasp the exactitude of this parallel in regard to the psychology of the bankers. And they will appreciate the significance of the recent manifestations of closer affinity between High Financiers and High Churchmen. The declaration of the Bishop of Ely that "the City of London is incurably and fundamentally religious" (THE NEW AGE, February 2) is the most recent of them; and at intervals previously Melbourne and Bathhurst in Australia, and Chester, Exeter, and Durham in England, have publicly associated themselves and the Church in differing degrees with the philosophy, policy and laws of High Finance—thus providing the spectacle, to those with insight, of White Bishops assisting in the celebration of the Black Mass.

On June 18, 1930 (THE NEW AGE, July 10, 1930), the Bishop of Durham, in the course of a speech in which he designated the unemployed as "British *lazzaroni*," said that rationalisation was "clearly in the interests of the workers," but that in "accepting" rationalisation, "they"—that is, the aforesaid *lazzaroni*—accepted the necessity of discovering a solution of the problem which it created. In terms of our analogy, *because* they had accepted the visitation of the vampire (which they could not prevent) overnight it became their duty to discover for themselves how to renew their exhausted blood-stream—presumably to fit them for another visit from the same vampire! Under the existing laws of finance economic rationalisation is an act of financial vampirism. It drains money immediately out of the workers' pockets, and ultimately out of circulation. That is why it causes a "problem." The obvious solution of the problem is to restore the money to the workers; but this means first restoring it to circulation. And what do we find when any statesman anywhere has made the slightest gesture of putting more money into circulation? Why, diatribes by Bishops against it as "inflation"—as something which, as the Archbishop of Melbourne* declared of "currency inflation," is "a danger threatening moral and religious life"—as a "misguided hoax and dishonest falsehood." The *Church Times* of April 10, 1930, endorsing the Archbishop's condemnation, declared that "he has the support of every accredited representative of Australian banking"—and, of course, of British banking, and, *at that time*, of American banking. Presumably, to-day the Melbourne pronouncement is being modified to fit the new situation in the United States; for it would not do for eminent Australian publicists to charge President Roosevelt with letting loose four hundred million pounds' worth of demoralisation and infidelity among the citizens of the United States. The wisdom of the Archbishop of Sydney who said at the time that he "did not agree that Church leaders should issue political pronouncements," and pointed out that "officers of the Church were not officers of the State," is amply confirmed by the dialectical predicament in which other Church dignitaries have now been landed by the turn of events in the United States.

[*Saturday, March* 11.] To-day all possibility of passing off the American currency-policy as "something *like* inflation, but *not quite*," has been extinguished. By the Emergency Bank Bill passed on March 10 the central-bank combine secured authority to expand the volume of currency in the form of legal tender, and to do so to an indefinite extent. The previous idea of disguising the expansion by issuing "clearing-house certificates" has been abandoned; and the additional "uncovered" currency is to rank *pari passu* with the "covered." That means that in the United States the ratio of gold to currency has ceased to be a matter for international agreement among Central Bankers, and can now be any fraction which the New York combine choose to make it. To adapt Mr. J. M. Keynes's phrase, the international bankers have *fallen out of step*. It will be remembered that this gentleman's dictum was that there was no limit to the amount of credit which the bankers of the world could issue *provided they all kept in step*—the plain implication being that there *was* a limit if they did *not* keep in step. The truth of either proposition depends on the assumption that price-expansion is a necessary consequence of credit-expansion (of which currency-expansion is an expression, as also the traditional basis). Up to now every accredited representative of banking has insisted on the automaticity of this inflationary consequence; and it has been on the basis of this theory that they (together with the Bishops to whom we have referred and other leaders of public opinion) have uttered their warnings and condemnations.

We, on the other hand, have always insisted that these expansions are distinct things, and that it is easily possible to issue additional credit without causing a rise in prices, and even—as students of the Douglas Analysis are aware—to bring about a falling price-level coincidently with a rising credit-issue. The importance of the new policy in the United States does not rest on the technical means adopted to meet the money-scarcity there, but on the obvious intention of the bankers in control to use those means without taking steps to regulate prices. They are going to leave prices to "find their own level," as the saying is—which means that prices will inevitably rise under the "law of supply and demand" which manifests itself in the well-known rule of commerce that "the price of an article is all it will fetch." Whether inflation is manifested in the Stock-markets or in the consumable-commodity markets, or both together, makes no difference to the broad result that the issue of the new currency notes will contract the unit purchasing-power of all currency notes, new and old, and likewise the purchasing-power of all dollar-credits. Let us emphasise once more that this has only *got* to happen because it is *allowed* to happen, and that it is to be allowed to happen because the Banking Dictatorship *intend* it to happen. Their reason is one of fundamental importance from their point of view, because their retention of the monopoly of credit-control depends upon their perpetuating the illusion that the admittedly evil effects both of inflation and deflation are only to be safely negotiated by a strict regulation of credit-issues designed by experts to preserve a just balance between the clashing interests of persons and groups constituting the community. For so long as it appears inevitable that variations in the volume of credit must always confer benefits on some sections of the population at the expense of others the argument is overwhelming that control must be vested in a body who (a) are, by training, able to measure the marginal limit of "safety" in those variations, and (b) are, by circumstance, immune from the temptation to overstep the safe limit in either direction.

* Here are further references to issues of THE NEW AGE in which speeches of Ecclesiastics have been dealt with.
Archbishop of Melbourne, May 28, 1931.
Church Times, February 26, 1931.
Bishop of Exeter, December 15, 1932.
Dean Selwyn, August 20, 1931. (Banks "an effective Second Chamber.")

Scientific financial impartiality must rule over selfish political partialities. But directly it is realised that price-inflation is not a necessary consequence of credit-expansion the case for a money monopoly with dictatorial powers collapses. Let any number of quarrelling interests discover that there is an alternative way in which each can get what it wants without employing the method of the vampire on the rest, and they will be instantly ready to adopt it. Moreover, they will instantly realise their own competence to do so without any guidance, much less direction, from the bankers. The rationing of Plenty is an entirely different proposition from that of the rationing of Scarcity. In the latter case the rations have to be dispensed by someone not afflicted by Scarcity: but in the former case the would-be recipients can be left to devise their own rationing scheme—the probability of their arriving at a mutually satisfactory arrangement increasing towards certainty according to the progressive increase in the dimensions of the Plenty available for division. Reflection along this line of analysis will show readers of this journal that the bankers' defects as technicians create the apparence of their indispensability as rulers. Whether their mishandling of their job is deliberate or not makes no difference to this conclusion; and the truth remains that Major Douglas, in showing how that job ought to be handled and can be handled, has at the same time destroyed the logical basis of their political domination. The bankers' claim to control the design and the running of the credit-mechanism can be shown to rest on the size of the repairs-bill! Their so-called indispensability rests on the constant demand for their services as breakdown gangs. They measure the rightness of their system by the frequency with which they are called on to put it right. If the London General Omnibus Company ran their buses on oval wheels there would be plenty of scope for them to shine as experts in the repairing and renewing of spokes and springs, not to speak of the auxiliary service of treating passengers for sea-sickness. But nobody would consider that their competence in these respects fitted them to run a bus service—or he would only do so if he had never heard of such a thing as a round wheel. Yet the public in all parts of the world are under the illusion that their economic discomforts are a proof of soundness. Like passengers in oval-wheeled buses they bob up and down from boom to slump and back again, ascribing their bruises or nausea to "trade cycles" and other jargonese terms which are put about to conceal the real cause of the trouble. The political world-situation to-day is dominated by the bankers' determination to maintain control of the financial machine; and the economic world-situation is the by-product of their persistence in running it in the way they do, for the reason, as pointed out, that if it were run the right way it would run itself.

The application of all this to the situation in the United States is to be seen in the following Exchange Telegraph cable received in London from New York on Saturday morning:

"According to foreign observers here confidence in the American dollar abroad will depend on confidence in the U.S.A. being *able and determined to maintain the present monetary system* even at the expense of allowing the weaker banks to close. The liquidation of such institutions would be forced through the melting of frozen assets regardless of what attendant loss might ensue, the theory being that individual losses might be compensated by a *general strengthening of the banking structure* through the weeding out of weaker members, thus demonstrating that no patching of weak links in the banking chain would be attempted."

The meaning of this can be expressed in the statement that the international financial combine have decided to grant to the New York banking clique a dispensation to adopt heterodox technical measures, provided that these are used for the express purpose of tightening up the American money-monopoly and consolidating its political power. It is a veiled assurance that what happened when Germany had recourse to expansion will not happen in the present case so long as Roosevelt succeeds in putting over the policy of extinguishing independent banking-enterprises. That is to say, the dollar won't be hammered while he is testing the resistance of the people. If, however, anything happens to baulk him in his major objective, or if he slackens in his resolution, then the exchange value of the dollar may be written down to goodness knows where. It is true that a slump in the dollar would hurt people outside America as much as it would hurt those inside; but we are here concerned with the view-point of the International Combine to whom the price of any national currency, or the consequences of its fluctuations, are a matter of indifference. It represents the "Basle" policy, so to distinguish it from central-bank policies in London, Paris, Berlin, New York and other Capitals. The last public disclosure of this specific, supernational attitude was probably to be seen in Mr. Montagu Norman's letter to M Monet, the Governor of the Bank of France, some time early in 1931, when he wrote: "Unless drastic measures are taken to save it, the capitalist system throughout the world will be wrecked within a year. I should like this prediction to be filed for future reference." (See THE NEW AGE of August 6, 1931. The terms of the letter were copied from an article by the Marquess of Donegal in the *Sunday Graphic* of July 26.) The "capitalist system" in this context means the banking monopoly; for there is no capitalist system in the old sense of the term remaining to be wrecked. What was threatened was, as it now is, the wrecking of the whole structure of finance-capitalism; and not only that, but the exposure of the reasons for its downfall, and the identification of persons with those reasons. It was just as if the Grand Master of the Financial Order had sent out a hint to the several central-bank Governors: "If you fellows don't do something drastic you're 'for it.'!" Certainly it is a matter of small concern to anybody else what happens to the system, for under it the community has reached an irreducible minimum standard of living, and the result of its breakdown would have to be negative or else an improvement.

Coming now to the practical aspect of Roosevelt's policy, a slump in the Dollar relatively to the Pound would add to this country's troubles. It would act as a subsidy to American exporters in the same way as the hammering of the Mark did to German exporters, when for a few pence a British citizen could get as many Marks as would buy a piano in Germany. That of course was an extreme case, and the price of the Mark only fell to that ridiculous level because the German currency-expansion was inspired and directed by the political Government, and the international bankers, including the Reichsbank, unitedly conspired to squash the experiment in case the rise of prices in Germany might lead the Government to extend its experiment to cover price-regulation as well as credit-expansion. In America the currency-expansion is directed by bankers over the head of the political Government, and, as we have pointed out, this fact amounts to a guarantee to bankers generally that there will be no tampering with the price-system—the system by means of which bankers retire their loans on their own conditions and keep the people's purchasing-power pegged down to round about a bare subsistence level irrespective of the country's capacity of output. This explains why no London newspapers have raised the cry: "Look

at Germany," which hitherto they have never omitted to utter whenever any Minister of State—like Mr. Lang or Mr. Theodore—contemplated doing what Mr. Roosevelt is now doing. There is no reason to look for a spectacular fall in the value of the Dollar; but that is not much of a comfort to those British manufacturers who know how small a margin in price decides whether American manufacturers can undercut them in this market. For the moment our own authorities seem to have this in mind. During last week there were several warnings in the Press (presumably inspired) that: "We mustn't let the Pound rise"—meaning "We mustn't let British importers buy cheap dollars." Notice, by the way, the tacit recognition therein of the fact that there exist means of stopping the Pound doing what it ought to do according to theory, and that there exist people who are in a position to employ those means. Australian readers should make a note that the same persons could have prevented the British Pound from rising in terms of the Australian Pound, and that the ascription of the fall in the Australian exchange to a diffused wavering of "confidence" on the part of everybody in general and nobody in particular was all a fairy tale. After this, if any publicist has the effrontery to get up and repeat the old yarn about the exchanges being an automatic recorder of the state of intra-national indebtedness or of the straightforward honest demands by the traders of the world for exchange, he deserves a punch on the nose.

So far then, the London point of view coincides with the Basle point of view about the price of the dollar. The two differ in that whereas London is concerned to protect British trade and employment, Basle is concerned to help New York to secure the monopoly of banking enterprise for the whole of the United States. It may be observed that the London objective could be achieved by means of duties against American goods—the tariff being raised as and when the dollar slumped. There are administrative objections, one of which is that it is difficult to discriminate against particular countries seeing that they can often send their exports out *via* other countries. There are ordinary commercial objections, one of which is that a tariff raises the prices of home products as well as imported products, and eventually necessitates the raising of wages to cover the higher cost of living. There is further a high-financial objection, namely that Sir George May, who is the unofficial controller of British tariff policy under the Bank of England, has designed it for wider ends than those of such British manufacturers who stand in need of protection. It is antecedently certain that he has taken into account the interests of British insurance institutions as international investing-houses, and has balanced them against British manufacturing interests, with which of course they must often be in conflict. Any tariff adjustments made to meet a slump in the dollar would upset this balance; so that even if they were made, it would not be done suddenly. For a guess we should say that the general principle underlying Sir George May's policy would be that the financial benefits of tariff-protection should be reserved for those classes of enterprise (a) whose products are most remote from the consumption markets; and (b) whose policy conforms most strictly with the rules of prudent finance—particularly regarding the allocation of profits as between reserves and dividends. As students know, the visible reserves of all enterprises represent in a fundamental sense part of the invisible reserves of the banking combine. They are bank reserves at one remove. But since the war industrial enterprises have been falling into the hands of the banks in large numbers; and it is easily possible that to-day the bulk of the profits earned by tariff-protected enterprises are the legal property of banks, and are disposed of in the way with which we are all familiar—i.e., largely withdrawn from circulation to be destroyed in the process of the repayment of bank-loans, or in the purchase of investment securities held by the banks. If this is true, or in so far as it is, the tariff is being used as a mechanism for levying a concealed excise duty on the community not sanctioned by Parliament. It is as if the bankers said to these enterprises: "We will help you to extract all the profit you can provided we dispose of it."

By reason of the nature of these enterprises the levy is not reaching the consumer in the form of a rise in the prices of what he consumes. It is bound to do so eventually because all costs are accounted into retail prices. But in the meantime the consumer is spared (and his wages kept down!) at the expense of that class of persons called "middle-men," who are being slaughtered after the fashion in which the slaughtering of weak banks is to take place across the Atlantic. Economy in the distribution-processes is the logical extension of economy in the production-processes. Henry Dubb no doubt often says to himself such a thing as: "There are too many grocers," thinking to himself that if there were fewer of them groceries could be cheaper. But what happens under the bankers' system of eliminating redundant distributors is that the eliminated grocer goes on the dole at Dubb's expense while the income he once made disappears from circulation. We must add a word on the position of the consumer. While he has escaped as yet any appreciable rise in prices, he is being victimised by a progressive declension in the quality of what he buys. This is a most important development to watch; and we have for some time been encouraging people whom we meet on our wanderings to talk about it. There are heaps of definite instances to be gathered from ordinary men and women—particularly women—on this matter. Some of them are the result of fraud, but many of them are the automatic outcome of cheap production-methods, some originating several removes back, as for instance the substitution of artificial for natural fertilisers, its effect on the crops fed to animals, the effect on their condition, hence on the sustaining qualities of their meat. Does anyone think that a rabbit which has been dead and frozen for twelve months is the same thing as a rabbit shot yesterday?

Then, as regards manufactures, we have in mind the case of an apparently standardised proprietary article of dress which over a term of nine years to 1931 had been proved by test to last out twelve months. The tenth one, however, worn under identical conditions in every respect, has lasted only nine months. The "price" was the same in terms of money; but in terms of physical fact the price was up by one-third. Yet your official statistician would argue that because the price had not risen the cost of living had not done so, and that therefore wages need not do so. The question for the consumer is not merely: "How far does my money go?" but: "How far do the things go that my money has gone for?" We recommend propagandists to ventilate this matter in their conversations: they will find it to engage the interest of lots of people who are not interested in any political or economic theories.

To revert to the question of protecting British trade against American dumping, there is evidence that the method which is contemplated here in preference to tariff-adjustments is that of doing on the sly what America is doing in the open—that is, going in for a bit of credit-expansion. It may not be the whole plan—it is early to say yet what any complete plan may be. According to Mr. Keynes's theorem about "Keeping in step" it will be clear that if a group of countries all climb down off gold at the same speed, the relative export advantage to any one of them remains unchanged, and the position is the same as if they had all stayed on gold. At the present time

John Bull has been off gold for a good while, whereas Uncle Sam is only just swinging his legs over the edge. John Bull has got a start, so to speak. Whatever advantage in export-trade John Bull may have derived from that start he can retain it by keeping the same distance in front of Uncle Sam. That is to say, if, as fast as Uncle Sam climbs down, John Bull climbs down some more, Sam's exports cannot come here any more cheaply than they do now.

Such a calculation, we guess, underlies the sudden crop of suggestions in the Press last week for a new burst of expenditure in this country. They are probably best epitomised in a letter printed by *The Times* on March 10 and jointly signed by three dozen scholastic economists located in all the chief centres of learning in the country. The letter is surmounted by heavy headlines reading: "More Money in Circulation—Spending on Capital Account." The signatories suggest that the Budget estimates should be divided into two parts: (a) expenditure on current account; (b) expenditure on capital account; and that only item "a" should be recovered by taxes. If that were done, and item "b" were "financed by borrowing," this arrangement could be used as a means for "*injecting new credit into active circulation*." They recommend this on the ground that it would further "the well accredited policy of *price-restoration* in present conditions." What they are saying in effect is this: "Let's have new issues of bank credit so that we have more deposits so that we get some inflation." That is to say: "Let's do something to stop the Pound rising." Hence you witness Pekingese professors in England barking in unison with the mastiffs at Basle.

One last reflection must suffice for this week, and it is that what has happened to American banking proves what we have often maintained, that to run the banking business on its present principles it must be turned into a tight monopoly under strict centralisation of control. Moreover, that control must widen to embrace all educative and coercive agencies such as the Press, the Law, Police and Military before it can become effective. Yet, at the same time, every step that the bankers take along this road to supreme power will make more manifest the impossibility of exercising it. They remind us of that episode in *Jurgen*, when the hero of the story found himself in Heaven. God, so the story relates, had left his throne for a while; and Jurgen thought what a thrill it would be just to sit there for a moment and rule the universe. So he got up; but he couldn't think of any orders to give; so he got down again.

The Truck Act.

This Act prohibits payments of wages in kind. Employers are thus driven to the use of bank services. Their wage cheques are indirect documentary evidence of their revenue, and direct evidence of their employees' collective income. Every entry in their pass-books tells a story—a story to the Bank of England and a story to Somerset House. Moral: Keep and use more currency.

SOCIAL-CREDIT CLASS.

A study circle meets every Thursday at 8 p.m. at the residence of Mr. F. Maxfield Mather, Lanherne, 23, Grosvenor-road, Church End, Finchley, N. Visitors will be welcomed.

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 American Debt Situation.

AN ADDRESS DELIVERED IN LONDON.

By C. H. Douglas.

I should like to preface these remarks by pointing out what I feel sure most of you realise—that we are now in a period in which effects have become, in one sense of the word, superior to causes. The Social Credit ideas deal primarily with causes, and are concerned particularly with political economy. The present situation in the world, in which effects have taken charge as a result of bad political economy, is one in which politics, in the more ordinary sense of the word, and at any rate as understood in this country, become superficially just as important as political economy. What I mean by that is that, while there is no hope of recovery in the world until we rectify our political economy, a mere rectification of our political economy would probably not now prevent the awful consequences which proceed from a persistence in bad political economy in the past.

It is my personal opinion, which I have probably expressed to many of you before, that about the latest period at which effective action to prevent the present world crisis, and the even more appalling consequences which seem likely to flow from it, could have been averted was about 1922 or 1923. Just about that time, in fact, just subsequent to an address which I gave myself, at the Canadian Club in Ottawa, Mr. Otto Kahn, of Messrs. Kühn, Loeb, and Co., addressed the Canadian Club, and assured the business men and statesmen who compose that club that they could dismiss their fears, that they (the bankers) had the situation well in hand, although they had had some anxiety during the past year or two. That speech marked, in my opinion, the end of a real epoch.

Now, in politics as distinct from political economy, the genius of this country is pre-eminent, and if there is any possibility of steering the ship of state through the storms of the next few years, it will probably be done by the politicians of this country, although their quality is distinctly inferior to that of past generations. I emphasise this because, while I believe that in particular the handling of this Debt situation is both of immense importance and is very largely a matter of politics, I think that the body of opinion represented in this room has now a double duty laid upon it, that of work towards a rectification of political economy, and that of holding an increasingly powerful watching brief upon day to day politics.

While the title of this talk is the "Debt Situation" it could be equally well described as the Anglo-American Debt Situation, since for reasons which I propose to touch on immediately, the two descriptions are practically synonymous, and really arise out of the Balfour pronouncement on the subject of inter-governmental debts to the effect that Great Britain would only collect from her debtors such sums as the United States insisted on collecting from her. As you are all probably aware, there have always been three main views on this Debt situation looking at it purely from the political as distinct from, let us say, the Social Credit point of view. The first of these views is the view of France, which is that the debts were not owing. This argument is most clearly brought into relief by pointing out that while the United States entered the War in 1917, she did no fighting whatever until 1918, and, as a matter of fact, very little then in comparison with anyone else, but that from the time of the Declaration of War by her to the time in which she actually participated in hostilities, she charged all the Allies indiscriminately with all the munitions supplied to them, but when the same munitions were eventually fired by herself, no charge

was made. The French argument is in effect that so far from the United State charging for the supply of munitions, France and the Allies ought to have charged the United States with the use of their armies for fighting her fight until she was ready. The British attitude towards War Debts was exactly what you would expect from British political character. It ignored all questions but that of expediency, and merely contended that the Debts were probably uncollectable and that it would be bad business to collect them anyway. The United States attitude requires a little more examination.

At the outbreak of War, Mr. Walter Page, American Ambassador to Great Britain, is credibly reported to have communicated with President Wilson to the effect that the British Empire was now delivered into their hands. There can, I think, be no doubt that this idea has been predominant in the whole of Anglo-American politics between 1914 and, say, 1930. In 1930 it lost its firmness of touch, and in September, 1931, when this country was alleged to have left the Gold Standard, it may be said to have received its first, and probably decisive, check. Broadly speaking then, the whole course of world politics since 1918 has been directed towards placing this country between a European continent which would not pay, and a United States which insisted upon payment in a specified form, irrespective of any of the contingent circumstances, and with the hardly concealed objective of, in the first place, imposing an insoluble economic problem on this country internally, and the external objective, equally important, of inducing a default which would ruin the financial status of the country, probably irrevocably. Victims of this war have probably been as great in number as those who fell between the years 1914-1918, and their mental and even physical sufferings have been greater. It is, perhaps, advisable to recall the fact that the great mass of United States citizens were mere tools in this policy.

Before proceeding to a consideration of the point at which we have now arrived in this world struggle, it may be helpful to glance cursorily at its technical aspect. In the autumn of last year Mr. Hore-Belisha, Financial Secretary to the Treasury, gave the following reply to a question in the House of Commons: "No part of the sums borrowed by this country from the United States of America for war purposes was used to transfer gold or currency to this country. A purchase from the United States of America of silver to the extent of 122,000,000 dollars for use in India was made out of loan moneys, but that indebtedness was paid off in full as a separate transaction in the years 1921 to 1923." As a supplementary reply he said: "The aggregate amount of the fifty-two annuities outstanding in respect of the British War debt to the United States under existing agreement is about 9,790,000,000 dollars. Of this, 4,398,000,000 dollars represents repayment of capital, and the rest interest. The amount which would be owing if no interest had been charged on any of the sums lent is 2,385,000,000 dollars." That is to say, we are committed to pay in money to be transferred from this country to the United States more than four times the amount of money actually spent in the United States, which never left it, but which was spent in the United States for the production of goods, all of these being priced at the peak prices which were attained at the end of the War. That is one, and a sufficiently serious aspect of the problem, of which I think the proper precis is that it is an obvious absurdity. The only practical issue which arises from it concerns the terms on which it should be abrogated.

This situation, serious enough in itself, is complicated by an internal factor in the United States, which, if the general consequences were not so serious, would be grimly funny. As it is hardly necessary to remark, the Liberty Bonds which represent the sums raised in the United States and alleged to be loaned to Great Britain, were financed in exactly the same way as the War Loans of all other countries. With the exception of a small percentage, probably not exceeding 5 per cent. in the United States, they represent bankers' credit, which was extended to the United States Government in return for the Liberty Bonds. To conceal this operation, however, a tremendous drive all over the United States was put over with characteristic American efficiency, resulting in the sale to the public of the 5 per cent. of bonds previously mentioned, and the public was very firmly imbued with the idea that it had subscribed the whole of the money. Since it is plain to the American bankers that insistence upon the letter of the bond in connection with world debts besides being quite impracticable would infallibly wreck the financial system, and since, as previously mentioned, the primary objective of the Debts is in any case political, it is vital both to the United States political and financial interests, first, that they should be authorised to cancel the Debts in return for political advantages, and secondly, that whether the political advantages are obtained or not, the Debts should be cancelled anyway. But their own propaganda in conjunction with the situation produced by banking and finance has united American public opinion, as distinct from New York or Wall Street opinion, solidly against any such course, since it is impossible to tell the general public that the cancellation of the Debts merely means crossing off a number of figures in a book, and that no one would be a penny the worse. The American citizen anywhere west of the State of New York, in the first place, does not believe it, and, in the second place, says that if it is as easy as this to cross off debts of this colossal magnitude, it is equally easy to cross off all the present debts he owes to his banker in the form of mortgages and other commitments, and if one of these is done he is solidly determined that the second shall be done also.

Over and above these general considerations, however, there is the atmosphere produced by the economic and financial situation in the United States themselves. I do not wish to deal at any considerable length with this to-night, because I propose to refer to it in some detail at THE NEW AGE dinner in a fortnight's time. I may, perhaps, say that, in my opinion, there is nothing in the American situation as it is developing at the moment to lessen the threat of a world dictatorship, which, it appears to me, has always been the objective, whether conscious or not, of high finance.

What then ought to be our policy in this country in regard to this Debt situation? That again seems to me to be quite clear. It should be to keep the negotiations in regard to it, if any, directly on the basis of debt, to offer to pay, and to continue to pay, in gold so long as we possibly can, while at the same time both discrediting gold and forcing down its price, and making it clear to the world at large that the Debt was not contracted in gold and the bargain is, as I think undoubtedly it is, an unconscionable bargain. The action of the Bank of England in buying gold in excess of that required for the purpose of paying the United States should be branded as traitorous. In that way we shall undoubtedly strengthen our position to such an extent as to force readjustment from the American side. If in the meantime we modify our own financial position along lines familiar to you, there is no doubt at all that we can export at a price level which will provide us with the dollars necessary to meet the American debt without any very serious effect upon ourselves. But the one thing which in my opinion would be absolutely fatal would be to allow dollar diplomacy to operate, that is to say to agree to a reduction of the Debt in return for tangible political or industrial advantages. While I have no direct information on the subject, I obtain the impression that this situation is fairly well understood in Government circles, and that unless some unforeseen calamity such as the substitution of a so-called "Labour" government for the present Government were to occur, we are fairly safe in this matter for the present. The election of a Labour Government, so-called, would without a shadow of doubt deliver this country over hand and foot to the unrestrained action of high finance, probably led by such individuals as the Marquess of Reading and the associates with whom the American Debt was originally contracted, and the outcome of such a situation could not fail to be calamitous.

The Higher Dialectics.

An extract from an article entitled "Monetary Policy and the Trade Slump," by D. H. Robertson, in the "Highway," the organ of the Workers' Educational Association.

(Mr. D. H. Robertson is a Fellow of Trinity College, Cambridge, and Reader in Economics in Cambridge University. He is a leading authority on problems of money and the trade cycle.)

"Let me begin by emphasising three points on which Mr. Durbin and I should, I think, find ourselves in pretty complete agreement. First, the notion that there is, so to speak, some normal and inherent kink in the monetary system which inevitably prevents the generation of sufficient consumer income to purchase the product of industry, is entirely baseless. The arguments of Major Douglas which seek to establish the existence of such a kink are founded on a fallacy so crude that, until one has looked into them for oneself, it is almost impossible to believe that they can really have been put forward. For Major Douglas is disturbed because, looking at one of the links in the chain of industries which co-operate to produce a modern product, he finds that only part of the sums which it disburses are paid to individuals as wages, salaries and so forth: another part is handed over to other industries in payment for raw materials and for renewals of plant. Now it surely does not take an economist, but only a person of ordinary common sense, to see that this second stream of money constitutes the source out of which these other industries (which do not sell direct to the consumer) recoup themselves for the wages and salaries paid yesterday, and put themselves in funds to pay the wages and salaries of tomorrow; so that in the fact that industry is split up in this way into successive processes there is nothing to prevent the net money income of the community over any period of time from being exactly equal to the money costs incurred in the production of its net output. It is one of the minor misfortunes of the depression that, on the shoulders of the reasonable arguments for 'inflation' which can be put forward in such a period, a theory so silly as Major Douglas' should have been able to achieve a certain 'come-back.'"

Notice of Meetings.

Kibbo Kift the Green Shirt Movement for Social Credit.

March 21.—Lecture: "Social Credit and Socialism." B. J. Boothroyd, Esq. ("Yaffle").

Lecture Hall, Headquarters, 35, Old Jewry, E.C.2, at 8 p.m.

FORTHCOMING DEBATE.

Debate on "Social Credit" between R. G. Hawtrey (H.M. Treasury) and Major Douglas, in the Central Halls, Corporation Street, Birmingham, at 6.30 p.m, March 22. Admission by ticket, applications for which should be made to G. Kay, Hon. Sec. Birmingham Social Credit Group, Marchmont, Old Croft Lane, Castle Bromwich.

The Green Shirts.

NOTES FROM THE GENERAL SECRETARY.

We feel it should be known that no member of the Green Shirt Movement receives payment for service of any kind. There is no paid staff, either at Headquarters or elsewhere. How long it may be possible to continue on this basis of unpaid service depends upon the recruiting now in progress.

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Apart from centres already mentioned in these notes, Green Shirt activities appear to be on the point of developing in Manchester, Halifax, Keighley, Cardiff, Nottingham, Birmingham, Sheffield, Wolverton, and Stranraer districts.

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We have been and are glad to have the advice and support of women (and men) who took an active part in the Suffragette Movement, not because we consider that the methods employed in the struggle for "Votes for Women" are applicable in the fight for the National Dividend, but because we consider it necessary to learn from those who have had first hand experience in developing effective agitation on a national scale outside the parliamentary system.

. . . . . .

The first open-air meeting in the Rochdale district was held on March 1, and made a beginning now being followed up by other meetings of the same kind.

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The Stockton Green Shirts have been presented with a large green banner on which the following wording appears in bold white letters on one side:—

"WOULD A MAGGOT STARVE
BECAUSE THE APPLE
WAS TOO BIG?

STOCKTON SAYS
NO!"

and on the reverse appears the slogan: "Issue the National Dividend!"

. . . . . .

It is reported to us on good authority that an Unemployed Men's Committee responsible for the running of an Unemployed Social Service Club not far from London, recently threatened to resign in a body because certain Communist elements were "attempting to use the club as a 'cell' for their propaganda." This appears to be symptomatic of the feelings of the unemployed towards Communism.

Green Shirts who have access to such Social Service Centres should attend openly in Green Shirt uniform, and not only attempt but actually turn such Centres into local Green Shirt headquarters.

We know of at least one such Centre, providing occupational and recreational activities for the unemployed, where Social Credit has penetrated amongst the official organisers. There are probably others, and Green Shirts should "take root" wherever such an opportunity offers.

. . . . . .

A London Green Shirt propaganda flying-squad, equipped with banners, posters, and portable platform for street meetings, will proceed to Liverpool shortly, where, we understand, there is every chance of raising a strong Green Shirt contingent. Members in Manchester and Rochdale will do their utmost to co-operate with the London flying-squad during their visit.

. . . . . .

On March 7, Mr. Brenton, the Editor of THE NEW AGE, spoke to a "full house" at National Headquarters. This was like *hearing* the "Notes of the Week" instead of just *reading* them!—and, moreover, with many a caustic aside that would probably not appear in print. Those in the packed lecture-room showed their full appreciation, and we were delighted to welcome so many interested visitors on that occasion.

We are expecting to be packed out again when "Yaffle" comes to speak on "Social Credit and Socialism." As the lecture-room can only accommodate about eighty at a "squeeze," those wishing to attend are advised to come early.

We take this opportunity of mentioning that visitors are always welcome at Headquarters on any evening of the week, Monday to Friday, 6.30 to 11 p.m.

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Individual Green Shirts in the provinces—lone "outposts" of the Movement unable to link up with a Green Shirt unit—are being urged to make every effort to raise a Green Shirt Section without delay in their own districts.

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London Green Shirt cyclists and motor-cyclists have arranged to operate as a propaganda flying-squad to speed

up recruiting and intensify the work already begun within a given radius of the metropolis.

. . . . . .

An amusing scrap of back-chat has just reached us:—

Scene: An open-air meeting.

Green Shirt speaker (concluding his speech)—"Would a maggot starve because the apple was too big?"

Voice from crowd: "The answer's a Green Shirt!"

Green Shirt speaker: "Right! You've said it!"

H. T. W.

Thirteen Douglas Years.

A PLAIN MAN'S VIEW.

By Frederick J. Gould.

As Major Douglas first published his Social Credit ideas in 1919, and I caught on to them in 1920, I count myself a veteran Economic Democrat, aged thirteen. Being then, as now, an admirer of Auguste Comte's doctrines of the Religion of Humanity and of Sociocracy, I was struck by Douglas's exposure of the fallacy—

that labour, as such, produces all wealth; whereas the simple fact is that production is 95 per cent. a matter of tools and process, which tools and process form the cultural inheritance of the community, not as workers, but as a community, and as such the community is most clearly the proper, though far from being the legal, administrator of it.

To me this simple but far-reaching historical conception forms the real basis on which the details of price-regulation, dividends for all, and the public "technocracy" (as the word runs to-day) are the necessary superstructure.

In 1920, as now, I was attached to the Socialist movement. Early in that year (February), I and my friends (both, alas! since dead), H. M. Hyndman and H. W. Lee, drafted a programme for what we then called the British Socialist Party, though it was really the old Social-Democratic Federation (S.D.F.). I inserted in it, with my colleagues' agreement, this clause:—

TAXATION.—The main source of taxes should be personal incomes, until public expenditure can finally be met by setting aside a portion of the publicly-created wealth. Increased public production of wealth is far better for the community as a whole than a national levy on capital.

After thirteen years I still consider such a proposal as supplying a powerful motive in appealing to the so-called "upper" classes to join in the removal of the anti-social capitalism and finance. And I may here also remark that my one essential reason for staying among the Socialist and Labour ranks is the fact that they, by tradition and conviction, stand for the cause of the poorest. I quite understand that, in its nature and objective, Social Credit keeps clear of the political machinery of Conservatism, Liberalism, Socialism, Communism. Yes; but I also understand that the needs of the charwoman, the kitchen-drudge, the postman, the shop-assistant, the mill-hand, the miner, the docker, the ploughman, are the acutest and most tragic, and I go with any pioneers who make the biggest thunder-claps on behalf of Lazarus and his sister. But, of course, I lift my hands in benediction on the technocrats who are ready to organise the National Guilds, or the Municipal Industries, or the National-credit-aided Mines, Transport, and the rest. Being without class animus, I would not deny a "priceless" Renaissance sculpture or Persian carpet to the humblest and richest Bank of England director. All the same, I prefer the company of the Hunger Marchers.

I shall never forget the curious scene at Leplay House (Sociological Society, 65, Belgrave-road, S.W.) on December 7, 1920. Crowded into a not-over-large chamber were Victor Branford, the sociologist; Swinay, the positivist, Greenhalgh, the Garden City enthusiast; Orage, of THE NEW AGE, etc. John A. Hobson was chairman, and Douglas the lecturer. The Apostle of Social Credit took for his theme: "The Mechanism of Consumer-Control." Of this theme he started out by observing that—

(1) It regards modern co-operative industry (all modern industry is co-operative) as serving two purposes: (a) the making of goods, and (b) the distribution of purchasing-power ("money"); (2) it emphasises industry as a means to distribution of goods throughout the community, rather than to the provision of work. . . .

And so on. The discussion after the lecture rambled aimlessly, and merited no record. Mr. Hobson's cold indifference—expressed in scholarly, Ruskinian phrases—is the thing I chiefly remember. And somewhere about the same time, in a Fleet-street attic, I and eight or nine mates of the S.D.F. Executive sat on two benches, with Kennedy (now the Rt. Hon. Thomas Kennedy) as secretary, and in came Douglas; and he gave us an eminently sensible talk on Consumption, Production, Credit, Prices, etc., and I think all the listeners, except me, followed the haughty academic example of the Ruskinian Hobson.

Since then, using a language chiefly made up of one-syllable and two-syllable words, I have at times tried to explain Social Credit to small groups of Co-operators, Labourists, and the like. More often than not, they sat like gangs of Atheists confronting a Bishop. Once, for forty minutes, I flourished a 10s. note and spoke to a Women's Labour Circle about the quaint status of the "Bank of England" and its money-printing powers, but the ladies asked no relevant questions, and switched off to an exciting plan for visiting the Houses of Parliament under the guidance of a Labour M.P. Occasionally, I dream of applying for some sort of Nobel prize for securing the highest number of letters yearly in local journals. Ealing, where I dwell, puffs out a scent of saintliness, and its lively Broadway glitters with gentility each morning, and it is just the place that Faint-hearts might expect to see boycotting the Douglas ideas. On the contrary, I can truly say that, for the past eight or nine years, neither of the two local editors has ever rejected a letter of mine on Dividends for All, Price-regulation, Control of Money-issue by King and Parliament, etc. They both have let me rail against all churches, chapels, synagogues, Ethical societies, Rationalist and Atheist associations, etc., that seek after moral or intellectual values without demanding the abolition of poverty in an age of material plenty. Seldom does anybody reply. Perhaps that is because I say I will recognise no one who does not come out with proper name and address; and the critics, preferring soft veils, count name-publicity as unchristian pride.

Aged seventy-seven by the ordinary calendar, I do not expect to wear purple on the day of the triumph of Social Credit in Britain. But I can offer up prayer to the apostles and disciples and catechumens. We almost look as if we may suffer checks and delays caused by sectarianism as well as by the bankers. Myself, I love variety of expression in Social Credit economics as well as in poetry, music, or basket-making. But I also love synthesis and co-ordination. And I have for a long time earnestly wished to see the constitution of a central council which would do its strenuous best to link and harmonise all the pioneer groups and associations that are frankly and honestly Douglasite.

"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. Seats may be reserved (price 10s. 6d.) by application to "The New Age," 70, High Holborn, London, W.C.1 (Telephone: Chancery 8470).

The Chair will be occupied by Lt.-Col. C. G. Maude, D.S.O., O.B.E., M.C.

The Proposers of the chief toasts will be:

Mr. J. Watt, Esq.—"Social Credit," responded to by Major C. H. Douglas.

W. T. Symons, Esq.—"The New Age," responded to by the editor, Mr. Arthur Brenton.

Will any readers who contemplate attending, and have not yet said so, communicate with the Office at the address given above by Thursday morning, March 16, if at all possible.

The Films.

The Critic, the Producer, and the Public.

When an English theatrical manager is so ill-advised as to attempt to dictate to a newspaper that it shall publish only favourable notices of his productions, he has not as a rule any cause for ultimate gratification. (I except a recent notorious case that cannot be dealt with truthfully without provoking a libel action.) The reason for the freedom of our Press in the matter of theatrical criticism is, however, not so much due to its sturdy independence, or the readiness of editors and proprietors to stand by members of their staffs, as to the fact that little money is spent by the West End theatres in newspaper advertising, and the Press need therefore not be afraid of offending large advertisers. Furthermore, the theatrical critic is regarded as an established and responsible institution alike by the public, the theatrical industry, and the owners of newspapers.

Unfortunately, very different conditions exist in regard to film criticism, and it is time that the public should know something of the facts. The film is itself a newcomer, and the film critic and the "film feature" are still more recent developments. In the beginning, which is only a few years ago, film critics just happened; it was a matter of luck who got the job; and there existed no very definite standards of criticism, for which reason it was not too easy for editors to decide, save by trial and error, whether the would-be critic was suitable. But we have progressed since those days; critical standards have been formulated; the public has become knowledgeable about the cinema; and there is not the slightest difficulty in deciding whether the critic is fit for his position or not.

Unfortunately, again—alike for the critic, for the art of the film, and for the public, which looks to the critic for guidance—the film industry spends a considerable sum of money in newspaper advertising, especially in the Sunday and evening Press. (In the case of one Sunday paper, the publicity bill amounts to at least £20,000 a year.) And the industry insists on receiving value for money, with the result that certain producing concerns have begun to dictate the nature of the criticisms of their productions. There is also the celebrated instance of the late film critic of the *Sunday Express*, who was removed from his office following certain derogatory remarks on the wireless concerning the leaders of the British industry. Such illegitimate pressure by the industry has now reached the stage when one magnate can declare that "we've got the Press where we want it," while another, with equal candour, remarks that the native film will never be worth anything so long as the industry is so large a buyer of advertising space. I need not emphasise the fact that if criticism is influenced by purely business considerations, the public cannot have the impartial judgment it is entitled to expect.

I have been moved to deal with the subject as the result of the offer by the *Daily Express* of a prize of ten guineas and a week's employment as guest critic to the writer of the best notice of a selected picture. (It would be interesting to know if by "best" is meant most favourable.) Regarded as a stunt or as an isolated action, this competition would simply be another example of the policy of the Press Barons in subordinating everything to sensationalism and circulation raising. But it should be construed as symptomatic of the gradual and consistent degradation of the functions of the film critic, who is coming to be regarded more and more as a combination of purveyor of flattering notices and of reporter whose duty is to describe the costume of one film star, and what another said about the English climate on her first arrival at Southampton.

"Anyone can write a leading article," I was once told by the editor of one of the three largest-circulation dailies in the Empire. Apparently anyone can be a film critic—even if it should involve the re-writing of his notices by a professional journalist before they are allowed to be printed. And for a newspaper that awards tens of thousands of pounds a year in prizes to offer only a niggardly ten guineas and expenses to a guest critic, indicates the value it places on film criticism.

This matter, I am glad to announce, has been taken up by the film section of the Critics' Circle. It is possible that their protest may be ineffective—although I believe that the film industry is in general opposed to the *Daily Express* stunt—but it was due to such dignity as still exists in the profession of journalism that a protest should be made. Incidentally, may I make a suggestion to the popular Press; why not hold competitions for the appointment of guest leader writers, Parliamentary correspondents, financial editors, and editors-in-chief?

Silver Dollar: Empire.

While our producers continue to disregard the cinematic possibilities of English history, Hollywood continues to put American history on the screen. "Silver Dollar" is a robust and fast-moving picture covering the period from the discovery of silver in Colorado to the failure of Bryan's bi-metallism campaign, and incidentally depicting the rise of Denver from a mining village to a metropolis with one of the finest opera houses in the Americas. The central character—that of Yates Martin, played by Edward Robinson—is, I believe, historical, or at least founded on fact. Mr. Robinson is admirable; here is an actor whose thoughts are so visible that he has no need for words, and in certain scenes his rendering of a bewildered giant is almost Shakespearean. Among the rest of a very good cast are Bébé Daniels and Aline MacMahon; Miss MacMahon's admirers will be interested to learn that she has on this occasion forsaken her hard-boiled roles, and talks with a Southern accent. My personal preference is for the "tough baby," but it is satisfactory that the producers have not made a fetish of type-casting. I recommend this film as good entertainment.

"Emil und die Detektive."

Cinema House, which is under the same administration as the Academy, and is following a similar policy of presenting noteworthy films, will to-morrow begin an exclusive showing of the German picture, "Emil und die Detektive," made by Ufa. This film has not been shown to the critics at the time of writing, but I understand that it is distinctly out of the common. It has had a remarkable success on the Continent, and is so much to French liking that it ran for eight months in Paris.

DAVID OCKHAM.

Music.

Mr. Murrill on Stravinsky.

One Mr. Herbert Murrill reviewing my "Around Music" falls foul of me for my strictures on Stravinsky and more especially for my charge against this composer that he is incapable of using line. Here, in parentheses, I may take the opportunity of pointing out that I did *not* say of Stravinsky that it is his inability to "Get" line, as I am made to do in the printed page of my book, a thing that even Mr. Murrill might—perhaps—have been expected to see was a misprint, but his inability to *use* line that makes it impossible to take him seriously as a composer. Mr. Murrill goes on to reproach me with having made this statement only on the strength of the demonstrably percussive and what I may call chunk-bombardment works of Stravinsky, and that I have left out of account in making that statement the later works such as "Apollo Musagetes," "Les Noces," the "Symphony of Psalms," and such. But it is precisely in the very works in which Stravinsky tries hardest to use line as in these, and such things as the frightful slow movement of the preposterous piano concerto that the more devastatingly expose his utter incapacity to do so. One hardly criticises a man for not using line in a place where line is not called for, at least no critic worth his salt would do anything so utterly idiotic. On the other hand Stravinsky's frenzied attempts at line, together with his noisily advertised back-to-Bachery and such nonsense show that even through *his* very circumscribed musical intelligence has at last penetrated the truth that somewhere at some time line is indispensible if anything approaching a composition is to result. But he overlooks the fact that the attainment of line is not achieved merely by loudly announcing to your camp-followers that you *have* attained it, but only by . . . attaining it. In this, as in all else that he does, Stravinsky displays the typical advertising-agency charlatanry that is such an unlovely distinguishing mark of our times; one simply has to discount the statements of the advertising-agent by at least seventy-five per cent. if one would not be hopelessly taken in by his feigned ardours and false rhetoric, as Wilde would have called it. The method is one that he—Stravinsky—has taken over from the jazz-mongers, together with other tricks of their trade. One hardly knows which is the more disgusting and ridiculous, the "discovery" of what *they* are pleased to call "*rhythm*" by the people who write it in the *Gramophone* or the "discovery" of Bach by Stravinsky.

Maggie Teyte. B.B.C. Recital. February 26.

Miss Teyte was on this occasion—as she so often is—very variable. Her "Colibri" of Chausson was charmingly sung with delicacy, finesse, and sensibility, but most of the rest of the programme was spoiled by an excess of sentiment that rang quite false, while an enchanting extract from the "Goyescas" of Granados was quite spoiled rhythmically, all the undulating flexible lilt of the music being taken from

it by a rigidity of treatment that is the last thing one would expect from an artist of Miss Teyte's accomplishment. Much better was a fine example of the too-little known Austrian song-writer, Joseph Marx's "Valse de Chopin," a setting of one of the Albert Giraud "Pierrot Lunaire" poems later used by Schönberg, in which the queer perverse, almost savagely, decadent spirit of music and words was finely captured. But, on the whole, this was decidedly one of Miss Teyte's off-days, and it is perhaps hardly fair to stress too much the occasional shortcomings of an artist who can achieve what Miss Teyte can at her best, and at her best she is, in her own way almost unsurpassable. The example of Szymanowsky that Miss Teyte gave us was neither a good nor typical specimen of this most interesting and remarkable composer's work. I, for one, shall nat rest satisfied until I have heard her in the exquisite Lovesick Muezzin cycle, a set of songs in a *genre* of which Miss Teyte is a consummate interpretress.

KAIKHOSRU SORABJI.

Events of the Week.

(Compiled by M. A. Phillips.)

March 4.

Roosevelt becomes President of U.S.A. May ask for "emergency" powers and for abrogation of constitution.

Only one State left without banking restrictions. Bank of England still buying gold to support dollar. No dollar quotations in Europe.

Cotton Exchange at New Orleans closed.

Fighting in Cologne and Dusseldorf.

Japanese capture Jehol City.

British railway companies to end Wages Board.

March 6.

New York and Chicago banks close—general moratorium for the U.S.A. to replace all State moratoria (total U.S. bank deposits £8,000 M.) Congress to meet (Special Session) Thursday next. Proposed to prohibit export of gold, to issue "clearing house scrip" as a temporary expedient, State to guarantee bank deposits, and finally to re-organise banking system on lines of British banks—i.e., U.S.A. leaves gold standard.

Hitler wins German elections:

	Old House.	New House.
Nazis	196	288
Nationalist	51	52
Government	247	340
Social Democrats	121	120
Communists	100	81
Centre	70	73
Bavarian Party	20	19
Other Parties	18	18
Opposition	329	311
Total	576	651

Gold price drops from 120s. 8d. to 119s. 7d.

Fall in Kaffirs.

Cermak, Mayor of Chicago, dies as result of attempted assassination of Roosevelt (reported previously).

Military Government established in Greece.

Commodity prices still falling, stocks increasing.

March 7.

U.S.A. off gold standard.

Fighting in Hamburg.

Sterling-franc-gold rate *pegged* by arrangement at 85 fr. to the £ and gold at 119s. 7d. per oz. during dollar crisis.

Great Britain Unemployment: 2,856,138 (46,500 fewer in a month).

France to raise loan (£100 M.?) to balance current Budget.

March 8.

Governor Lehmann of New York State (formerly a banker) granted emergency powers over all State banks.

Free State decide to transfer suspended annuities to exchequer; part for agriculture.

Bank of England still buying large amounts of gold.

Newfoundland: loan from Great Britain to cover recent default.

Minister of Agriculture introduces Bill to Commons regulating production and marketing of all food supplies and to raise prices.

Greek Military Government falls.

Federal Reserve banks open for limited withdrawals.

Ulster rail strike; negotiations for settlement opened.

March 9.

Fascist coup d'état in Austria.

Bacon prices to rise.

Province of Jehol now entirely in Japanese hands.

U.S.A.: Clearing house scrip plan abandoned; £400 M. new dollar bills to be issued, rumours of factories closing down during moratorium. Emergency Congress passes Bill giving President emergency powers.

Nazis threaten Bavaria.

British Navy estimates up by £3 M.

Anti-Gift Coupon Bill again before Commons.

Premier leaves for Disarmament Conference.

Sharp rise in silver.

Bank of England's gold stock now £160 M.; still buying large quantities.

Dollar-sterling rate still not quoted.

British S. Africa (Chartered) Co. pass dividend.

March 10.

Nazis reported to be starting anti-Jewish campaign.

All-party conference of leading citizens of twenty destitute English towns meet at Manchester to demand State help.

U.S.A. "sound" banks to be opened shortly, "unsound" ones to be "re-organised" or to be bankrupted—embargo on gold exportation to be continued until further notice.

Great Britain Budget deficit feared. Unemployment among merchant seamen one in three.

LETTERS TO THE EDITOR.

THE WAR LOAN RAMP.

Sir,—You talk as though the method of imposing that colossal "War Loan" ramp upon the public was, at the time, a secret of the Banking initiates.

It was not so, for when I was a soldier, other soldiers expounded the nature of the swindle to me in recommending my participation.

I refused—not on moral grounds; oh dear no! But it seemed to me that men sufficiently cunning to use me in that simple way would certainly lose their self respect if they conceded any benefit to me in the long run. The only moral aspect which struck me was that in fighting to perpetuate such corruption millions had died in vain and millions were to die in vain yet.

NEOPHYTE.

South Africa.

THE DOLLAR AND THE FRANC: THEN AND NOW!

Sir,—The recent spectacle of Americans in Paris feverishly endeavouring to cash dollar cheques is particularly diverting to those who witnessed the insulting acts committed by Americans in France a few years ago. Tourists from God's Own Country lost no opportunity of assuring the French people that the franc was "finished," and emphasised their opinion by plastering their luggage and the upholstery of train compartments with French paper money of various denominations. Now that the franc has looked the dollar in the face, stared it out of countenance, and kicked it downstairs, I should like to meet again that American who ostentatiously lit a cigar with a ten-franc note before us in a Parisian café one afternoon.—Yours, etc.

E. E. P.

Forthcoming Meetings.

At the Technical College, Blakey Moor, Mr. Reginald Kenney on "Real Wealth and Financial Poverty," Thursday, March 16, at 7.30 p.m.

Brighton and Hove.—Four lectures will be given by Mr. Frank Griffiths, of Kibbo Kift (Green Shirts), at 8, Powis-villas, Dyke-road (Clock Tower end), at 8.30 p.m.

Lecture 2.—Friday, March 17.—The Present Monetary System in Theory and Practice.

Lecture 3.—Friday, March 24.—The Douglas Social Credit Proposals.

Lecture 4.—Friday, March 31.—Breaking the Money Monopoly.

Fee, single lectures, 1s.

N.B.—All students in this district, it is hoped, will endeavour to attend. Any further particulars may be obtained from the secretary, Mr. D. G. Phipps, 24, St. Aubyns, Hove.

Glasgow Douglas Credit Association.—Owing to the success of our last public meetings, we are running a further series in the Christian Institute, Bothwell Street, Glasgow, each meeting commencing at 8 p.m. Our second meeting will be held on Tuesday, March 21, our speaker being (Miss) E. Whitton. Her address will be on "Your King and Country Need You." Our class series will be run in conjunction with these meetings.

At Newport Town Hall Assembly Rooms, under the auspices of the Newport Debating Society, Dr. J. E. Humphries, M.Sc., Ph.D., B.A., will meet Councillor A. E. Pugh in debate on a motion to the effect that the principles underlying Social Credit would solve the economic problem. Dr. Humphries will affirm and Councillor Pugh oppose. Date, March 29. Time, 7.30 p.m.

At the Public Hall, Ipswich, Major C. H. Douglas will speak on "Money—Servant or Master." Date, Tuesday, April 4. Time, 8 p.m. Admission by ticket, 1s. reserved, 6d. unreserved. Apply to Mrs. Harrisons, The Ancient House, Butter Market, Ipswich.

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.

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