THE

NEW AGE

INCORPORATING "CREDIT POWER."

A WEEKLY REVIEW OF POLITICS, LITERATURE AND ART

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NOTES OF THE WEEK.

The Australian Economic Advisory Council.

This is the name of a body recently set up at the instigation of the bankers to counteract the influence of the Social-Credit campaign in the Commonwealth. Its personnel has been carefully chosen so as to make it appear to be the spontaneous embodiment of responsible and unbiassed opinion on high-political principle. Its first statement after inauguration was that "the main function of the Council" would be to "impress upon the public" that the "work of rehabilitating Australian industries generally should be carried on without interruption by political changes." Naturally almost any well-intentioned man or woman would regard this function as healthy in its influence. Hence there is no doubt that the members of the Council are individually above reproach as to character, and also as to general intelligence in the conventional sense of the word. What they lack is the specialised knowledge requisite for the fulfilment of the function they have undertaken. Therefore at each step in that fulfilment they will feel the need of expert guidance; and for that guidance they will naturally go to the financial authorities, whom they regard as the impartial repositories of high-political wisdom. Their opening statement says: "The Council will prepare and issue considered statements on matters of public importance." Quite so: but the people who will inspire the considered statements will not be those who prepare and issue them. No; the "main function" of the Council, as the statement says, will be to "impress upon the public" certain views. That is to say, it is a transmitter, not a generator, of high-political policy.

What that policy is can be deduced from the text of the Council's statement,

1. ". . . *the work of rehabilitating.* . . ." Notice that the words "work" and "rehabilitating" are not defined. The phrase suggests that methods are in contemplation for achieving a desirable objective. Yet nothing is said to show that the objective *is* desirable; nor, supposing it to be so, that the methods are applicable to it. The public have no information whether the object in contemplation is to provide them with ice-cream or with hot mi'k; nor whether the method in contemplation is to freeze the milk or boil it. Of course, one will say, you can't imagine anyone's trying to boil milk into ice-cream, or to freeze it hot. No; but you *can* imagine the work of "rehabilitating" doing the opposite of what you think it is doing. Financial experts have been performing that feat ever since the war—flying from the refrigerator to the saucepan and back again, and leaving everybody but themselves at a loss to know what they can be trying to do unless it be to achieve that delicate balancing of temperatures requisite for producing hot ice-cream. Hence Mr. Montagu Norman's confession of impotence—which curiously enough is universally considered an all-sufficient reason for retaining his services. "He *must* be a great chef because he can't cook."

2. ". . . *Australian industries generally* . . ." Here the "rehabilitation" is assumed to be something of a nature not only beneficial to any particular industry, but something from which all industries simultaneously can derive the benefit, whatever it is. Further; in the context this rehabilitation of "industries generally" is implicitly held out as being in the interests of the public generally—briefly, that "rehabilitation" will confer a benefit on every citizen as a producer, and on every citizen as a consumer, and thus on the whole of the Australian producer-consumer population at one and the same time. At least that appears to be contemplated when the policy is in operation. In the meantime, the method of putting it into operation is to rehabilitate "industry" first, the assumption being that when this is done the rehabilitation of the Australian people will follow as a matter of course.

3. ". . . *without interruption by political changes.*" This clearly envisages the evocation

of more or less dissatisfaction with the work of rehabilitation in its earlier stages. For if the public as a whole were satisfied, they would either not want any political changes, or, if they did, the changes they wanted would not be such as would interrupt the work. The suggestion means, in the last analysis, that the exercise of the franchise shall be virtually suspended while the work is in progress, and that the authorities in charge of the policy shall be invested with dictatorial powers in respect of it and of their methods of carrying it out.

Reviewing this analysis comprehensively, it will be realised that the "main function of the Council" is to "impress upon the public" that they should form themselves into a United Australian Party yielding uncritical support to the authors of an Unknown Australian Plan. The initial letters U.A.P. conveniently serve to identify the two things. The key letter is "U"—signifying Unity for the Unknown. The public are to be "impressed" by the slogan; "Unite for the Unknown"—and the logic of the appeal, if any, is that *because* the plan is unknown the public ought to unite for it. We can interject an amendment of our own here and say that it is only because the plan is unknown that the public *can* unite for it. "United we stand: divided we fall." In other words, "we stand" because we do not understand—and when we understand we shall fall.

It will be seen that up to this point the soundness or otherwise of our analysis can be weighed by thoughtful men or women irrespective of whether they know anything about Social Credit. If they will reflect on it, particularly on the second of the three numbered sections, they will be forced to conclude that either this unknown plan is too good to be practicable, or that the genius of the Australian Economic Advisory Council is too brilliant to be true. For remember that, *on the face of it*, the Council is the supreme repository of the wisdom of statecraft. It is a generator of policy, not a transformer, much less a transmitter. That is its implicit claim; so, for the purposes of the present argument, our previous impugnment of it can be disregarded for the moment. The point we want to make here is that, on the assumption that the claim of the Council is true, the antecedent probability of its plan being feasible depends upon what estimate is placed on the credentials and qualifications of each of the individuals constituting the Council. For the collective wisdom proceeding forth from it is no greater than the sum of the individual wisdoms that enter into it. There is an interplay of wisdoms inside the Council, but this interplay is merely coalescence. There is no such thing as wisdoms multiplying each other. They merge with each other, the lower into the higher (and, ideally, all into the highest). This is not true on all planes of experience, but it is undoubtedly true of deliberations of the sort which the members of this Advisory Council must engage in.

Well, then, who are they? What is inside each of the heads that are being put together to rehabilitate Australian industry? We must leave the answer to those who have been living and working with them and know their records. In the history of this country it is related of one Cabinet that, when the names of its members were announced, they were so unexpected that each was greeted with the cry: "Who? Who?" by an ironical assemblage of, no doubt, disappointed aspirants for office. The Administration came to be known as the "Who-Who Government." Much in the same terms, though not the same spirit, might the Australian public greet the names of these advisory Councillors. No doubt they are men with some degree of mental capacity and technical ability who can point to certain limited achievements in different walks of life; but in no case do they conspicuously differ from their fellows. It would probably be possible to form fifty more Councils of equal calibre to the one chosen.

With this in mind let the Australian public consider the nature of the objective which this Council is impliedly endeavouring to reach. We have explained it in principle in section 2 of our analysis. It is, briefly, to put Australian industry on its feet in all its branches at one and the same time. Many people are apt to deride the Social-Credit objective as fantastic as a practical proposition although conceding that it is theoretically attainable. But the Council's objective is not attainable even in theory under the existing rules of the financial system—rules which, remember, must not be interrupted by political changes. Non-interference is almost explicitly stated in section 6 of the Council's published announcement of its general policy:

"That every effort should be made to educate the people to the fallacies of schemes such as the *Douglas Social Credit System*, the nationalisation of banking and of land, and other destructive policies." (Our italics.)

We will include also Section 3, which reads:

"To *keep the management* of the exchange rate entirely free from political interference or control." (Our italics. Notice the admission that the exchange rate *can be* managed and *is* managed—which is in direct contradiction to the classical theory that international exchange-rates automatically recorded and corrected over-buying or over-selling on the part of individual nations in the world market—acting, as the theorists used to put it, like the "governor" of an engine, by regulating cross-flows of national exports and imports at even speeds in both directions).

These quotations help us to a judgment of what the Council's unknown methods can accomplish towards its objective because they make known the limitations under which those methods will be used. That is to say, the rehabilitation of Australian industry has to be brought about somehow by methods which (a) do not demand an expansion of credit, or if so, expansion at the discretion of the banks—and at the charge of the taxpayer: and (b) leave the pricing of goods to be fixed by the law of supply and demand (i.e., the price of an article is all it will fetch, and if all it will fetch is less than the costs allocated to it under existing accountancy principles, the seller stops making the article and goes out of business).

The circumstances in which the Council proposes to commence rehabilitation are these: The Council has no money to play with: all industries have to compete with each other for a share of what money is about: and industry generally has to recover its costs out of the pockets of the population in payment of goods and services. Briefly all industries are competing to divide up revenues recoverable from consumers. The Council proposes to put all these industries on their feet at one and the same time. There are two ways in which that could happen: either they all get more money out of consumers for goods costing what they do now, or the same money out of them for goods costing less than they do now. Since the total amount of money in the hands of consumers at any time has previously been paid to them by industry, industry can only rehabilitate itself by delivering fewer goods than before. So the real function of the Council is that of impressing upon the public that the work of lowering their standard of life should be carried on without interference by them. If the public realised this they would undoubtedly reply to the Council: "Thanks so much: but we object to your rehabilitating Australian industries generally; and what you say is an argument why we should bring about political changes, and with the precise object of interrupting the work, if you don't drop it."

If the monetary limitations under which the Council declares its intention to go to work are to remain, the only way of reconciling the revival of industrial prosperity generally with a maintained or increased standard of personal living generally would be to substitute hand-labour for machine-energy to an extent sufficient to re-employ the idle part of the population on full-time work. For whereas the machine is used by the technician to produce wealth, it is used by the financier to destroy purchasing - power. So the logical thing to do when there is a shortage of purchasing-power is to put the machine on the dole, not the man. When industry scraps a man it scraps a customer. And the reason why it scraps men is because it is short of customers, and the reason why it is short of customers is because it bought machines to get more customers. Of course there is a snag. To attempt to do this would involve a breach of a rule of financial policy. A machine when in work normally earns revenue, but gets no wages. That is exactly the reason why the bankers encourage its use. That is how it destroys purchasing-power: for the revenue which it earns, and which is logically its "wages," is taken and destroyed by the bankers in the process of retiring their loans. They are ready, themselves, to scrap machines (as in their rationalisation schemes) but their object is not to increase the money in the consumption market, it is to shorten supplies going to that market and to raise prices in it, thereby enabling themselves to make up, *via* the earnings of machines still working, the revenue previously earned by the scrapped machines.

Since (still assuming the above financial limitations) the Council cannot rehabilitate industry as a whole simultaneously, can they do it piecemeal? The general answer is that the rehabilitation of a favoured piece of industry will cause the same kind of injury to the rest of industry, as we have shown the rehabilitation of industry generally to cause to the public. Industry's meat is the consumers' poison; and one firm's meat is another firm's poison. This was illustrated during the West Australian plebiscite campaign for secession, when it was urged that the manufacturers in the East were profiting at the expense of primary producers in the West. Further, in the East there are conflicts of interest: manufacturer against manufacturer on the one hand, and manufacturers against importers on the other.

"Oh, but that is competition: and without competition there is profiteering at the expense of the public, and there is no incentive to technical progress." But inasmuch as that is true it is an argument against any political control over piecemeal rehabilitation of industry. If the sanction for competition to sell rests on the ground that it cheapens prices to buyers, and eventually reduces costs and prices, then those people whose daily job it is to direct industrial operations will, between them, discover and exploit the best means to that end more quickly and efficiently than any quasi-political external authority. The piecemeal rehabilitation will look after itself. That there will be friction in the process of eliminating the less efficient enterprises in favour of the more efficient, is true; but it will be equally true if the Council directs the process. The question ultimately turns on what is meant by "efficiency"—efficiency for what?—for delivering goods to consumers, or delivering money to bankers? If the Australian public carefully consider this question they will realise that the "main function" of the Council is not to *do the work* of rehabilitating industry—which industrialists are already doing as best they can within the financial restrictions laid upon them—but to *impose a design* of rehabilitation on industry. So our former question repeats itself: What are the distinguishing credentials and qualifications that entitle the members of this Who-Who Council to assume control of rehabilitation? Our answer is: There are none. They are simply a random sample from the bulk of business intelligence; and, in themselves, are incapable of finding out a technique of rehabilitation that would not occur to anybody else. But they are not there to discover the best method, or any method at all; they are there to announce the method which the bankers want to see adopted, and to lend the weight of their Press-inflated authority to its imposition on producers and consumers alike. We need not know anything more about them than the fact (and it is a fact) that they are a body of gentlemen each of whom is thoroughly convinced that: Bankers Know Best. They are, for all practical purposes, a Bankers' Advisory Council, and the instruments of a Niemeyer Nazi Dictatorship. We prophesy that every major "considered statement" that they issue will disclose to those who examine it carefully a step in the direction of making Australian "industry generally" safe for the banking profession generally. The end being pursued is the Rehabilitation of Finance in Australia's domestic economy and her international relationships.

Secession in Australia.

The *Times*, on April 8, says that the majority vote in Western Australia for secession (a) does not mean that the voters want secession and (b) that anyway they won't get it because of legal obstacles. For "legal obstacles" read "bankers' objections." Conundrum: If the secession of a self-governing State from the Commonwealth is illegal, what would be the secession of a non-self-governing piece of a self-governing State from that State? For that is what the bankers were preparing to bring about in New South Wales when Mr. Lang was in office—and we heard no mention of the law then.

The High Court no doubt would have made that all right. For that Court interprets the constitution exactly as Mrs. Gamp interpreted Mrs. Harris. The British Constitution is at any time an *ad hoc* improvisation, and is sometimes improvised by judges (as when the New South Wales Legislative Council was told that the Act it passed to abolish itself was "illegal"), sometimes by high officials (as when Sir Philip Game "legally" dismissed Mr. Lang's popularly elected Administration), and sometimes by Legislatures (as when the Australian Federal Government legislated to de-legalise Mr. Lang's policy, or as when the British House of Commons, instigated by Mr. Snowden, did the same thing to blanket Mr. Hamilton while his suit against the Inland Revenue was before the Court). Time after time the Courts have declared: "We cannot go into what were the intentions of the Legislature when passing measures; we must construe the Acts as they have been drafted." (This dictum was always employed when objectors to vaccination were protesting against judicial decisions contrary to the spirit of the Act allowing them relief.) To-day *The Times* is virtually inciting high judicial authorities in Australia to interpret the intentions of electors contrary to their votes on the question of secession in Western Australia. The same in this country. Although the electors returned a smashing majority of protectionists they were presumed to have attached no importance to protection, but all importance to "saving the pound."

THE DEAN OF CANTERBURY ON SOCIAL CREDIT.

"'Twelve years ago' the dean concluded, 'I sat in Major Douglas's chambers and followed his convincing reasoning. Every prophecy of his has come uncannily true.

"'I heard economists and bankers confute him, but facts have belied them, and again and again they shift their ground and contradict one another.'"—[Extract from report of address by Dr. Hewlett Johnson, Dean of Canterbury, at Birmingham Paris Church.—*Birmingham Mail*, February 16, 1933.]

The Church and Tax-Evasion.

"The Archbishop of Rouen has appealed to his flock to fill in their income-tax returns correctly, to 'render unto Caesar that which is Caesar's, and unto God that which is God's.'" So runs a Reuter cable published in the *Evening News* of March 30. The Archbishop, referring to the economic difficulties which France, "like all those [countries] of Europe," is facing, called for the "sacred union of all her children in loyal effort and generous sacrifice."

The circumstances occasioning this appeal are as follow. French people are less prone than any others to the unconditional toleration of centralised institutions. They are not unlike those primitive tribes whose custom it was to smash their idols when answers to prayer were disappointing. Some resemblance to this custom can be seen in the fact that since 1918 the French people have brought about something like thirty changes of Government. Following the precedent set by primitive tribes, they put their god, so to speak, on piece-rates, and pay him by results. They seem to have discovered intuitively that their power of initiative in deciding the remuneration of their Governmental institutions is best conserved by keeping them decentralised—that the smaller the unit of institutional authority the more responsive it is to the will of the people. This is stimulated because in France the "will of the people" is something more than the provision of majority-votes, and the people are likely, at very little provocation, to interpret their mandate themselves by resorting to direct action. Two recent examples have been the strike of Stock-Exchange clerks and the mass-demonstrations of taxpayers—phenomena which as yet have had no counterpart in this country. The idea, for instance, of the massing of middle-class British citizens in the streets is almost unthinkable, particularly in a demonstration, as was the case in France, declaring resistance (summed up in the slogan: "Not a penny more") to the contemplated increases in income-tax.

"Resistance," as declared in Paris, is not the empty word that it would be in London under similar conditions. The difference is well described by a remark in a recent leading article in *The Times* to the effect that no income in this country escapes the scrutiny of Somerset House. It was used as an answer to a complaint that had been made that middle-class parents who needed relief from the then impending heavier charges for their children's education would have to undergo a sort of means-test inquisition. "Why not" was the substance of *The Times's* reply: "Everybody does already." That is not the case in France, and the reason is that the French practise the currency-habit in preference to the banking-habit, thereby seriously cramping the style of financial inquisitors, whose spying-system depends for its efficiency on the extent of the cheque-system. A person who uses a bank virtually goes to confession every time he draws or pays in cheques. Some years ago we remember an article in a newspaper in which some journalistic hack was extolling what he called the "wizardry" of Josiah Stamp (whether before or after this man was knighted we do not remember). Apparently Stamp had, on one occasion, called a meeting of taxing officials, and had warned them that in a certain category or grouping of a certain class of taxpayers there was a collective leakage, and that they had better get busy on locating the points of leakage. According to the story these officials were incredulous, but got down to the job, with the result that lo and behold it was as the wizard has spoken! But there was no mystery, nor even genius, in this fiscal diagnosis. The people of this country had between them been pouring in (as they still are) statistical data to the taxation authorities, and these data, when categorised and totalled in cerain collective groupings, not only checked and counter-checked each other, but could also be checked against external data compiled by bankers. For, however true it may be that confidence between individual bankers and individual clients is rigidly observed, there is no doubt at all that any collective statistical banking information such as Stamp required to do his sum was at his disposal, and is similarly to-day at the disposal of the official now doing his job. As we explained recently, the bankers are, in a fundamental technical sense, the underwriters of taxation-flotations, so to describe them; and it is therefore antecedently certain that they will neglect no means of assisting the Chancellor of the Exchequer to unload the whole issue on the public, and, if possible, even to get it over-subscribed. (Budget surpluses are never returned to the subscriber: they go, by law, to the reduction of debt—that is to say to the expansion of the secret reserves of the banking-system.)

Credit, Cost and Capital.

The Douglas Social-Credit Analysis is essentially an examination into existing principles governing the accounting of costs in relation to the distribution of incomes.

It is *not* essentially an examination of what money *is*, or whether the *quantity* in use is sufficient or insufficient. Supposing that there were enough gold in the world to permit of every monetary transaction being effected by means of sovereigns, the flaw in the financial system disclosed by the Douglas analysis would remain unremedied. There is no "right" or "wrong" *quantity* of money, as a principle. Nor is there a "right" or "wrong" *kind* of money, as a principle.

The "rightness" or "wrongness" is in principle entirely a question of how money is counted. Anything will serve as money if it can be counted; and any quantity of money can be "right" if counted right.

Money is as money does. And what is required of money is that as and when it comes into the hands of individuals it shall suffice to meet the total cost of all the products which its previous use in industry has made available. If it does not, something is wrong in the counting of the cost.

What is the right principle of counting? This can be best approached by considering the concrete facts which the counting is supposed to represent. Leave money right out of the picture for a moment. It will be agreed that the purpose of making things is to consume them. But not all immediately. We make certain things which are not in themselves consumable, but which we use to quicken up the production of things that are. Let us designate the former by the word "machine," and the latter by the word "articles." Assume a community all fully engaged in making articles. At first they do so without a machine; and they make, let us say, 100 a week, and consume them at that rate. One day an inventor shows them that if they construct a certain machine it will enable them to make 200 articles a week. But the construction of the machine will take, let us suppose, twenty weeks, and will engage half the community's labour for that period. This means that for twenty weeks the whole community will make only fifty articles a week instead of 100. Let us suppose that they are able and willing to live on half-rations for the purpose in view. By the time the machine is constructed they will have gone short of twenty times fifty articles, i.e., 1,000 articles. Now they are able to enjoy the reward of their abstinence. The size of the reward depends on how long the machine will last. Let us suppose this to be 200 weeks. They are now able to consume 200 articles a week for

200 weeks without making another machine. Or, if they choose to commence making another immediately, and assuming their doing so engages half their labour and halves their output of articles as before, their consumption nevertheless is 100 articles instead of fifty; and at the end of twenty weeks, they can consume 200 articles per week, holding the second machine in reserve to replace the first one at the end of the 200 weeks. Or, alternatively, if they are content to spread the time for constructing the second machine over the 200 weeks so that it will be finished just as the first machine is worn out, they can consume perhaps 190 or 180 articles per week immediately on the completion of the first machine, and continuously afterwards—the precise quantity depending upon how much labour they diverted to the making of the second machine.

Now a vital thing to notice about these activities is (a) that the *abstinence from consumption* entailed by the making of each machine is the natural cost* of that machine, and (b) that *the natural cost has been fully paid by the time the machine is ready to be used.* The measure of the natural cost of the first machine was the quantity of articles the community went without in order to make it, namely 1,000 articles. They invested, so to speak, *Abstinence* equivalent to 1,000 articles, and were able thereby to draw and consume 100 extra articles per week for 200 weeks, namely, 20,000 articles. The machine paid for itself, as the saying is, twenty times over in terms of articles. Their total weekly consumption was 200 articles for the period made up as follows:

	Articles.
Reward of current labour	100 (wages)
Reward of past abstinence	100 (dividend)
	200

With regard to this dividend, it would be clearly in the right of the community to regard it as the discharge of a physical debt due to themselves. And the size of the debt to them would be the prospective output of the machine during its whole life, namely, 20,000 articles, not merely the 1,000 articles they went short of to make it. Who would owe them the debt? The short and only answer is: "Nature." The debt would be the reward of a brain-wave. This leads to one further observation, namely, that the only moral question that would arise would be whether the recipient of the brain-wave, the inventor, should share alike with his neighbours, get an extra share, or collar the lot. But that would settle itself. What is plain is that the community as a whole would be able and entitled to consume all the output.

Now if we suppose them to publish what we may call a national balance-sheet, they would enter up this machine as a national asset worth 20,000 articles. They would have another asset, namely, their ability to use their brains and hands. Assuming an average working-life of, say, 200 weeks, they could multiply this by 100 articles per week and say *that their own value as an asset was 20,000 articles.* In such case their national balance-sheet would show them and their machine to be worth at the very least 40,000 articles—a figure which might be expanded to almost any figure by the next brain-wave that came into the inventor's head.

So much for the national assets. What of liabilities? Well, a liability being something which, when discharged, diminishes an asset, the liability here would be the community's rate of consumption. But this can be washed out for all practical purposes because they are replacing every week what they consume. Their balance-sheet, then, is the list of assets described, and these assets correspond to what is termed "Real Credit" in the Social-Credit analysis.

* This does not contradict another Social-Credit statement, namely that the *cost of production is consumption.* Applied to the illustration this would mean that the total cost—*physical* cost—of the machine, together with the articles produced and consumed *during the construction of the machine,* would be the *articles only.* Adopting initial letters the formula would be: Cost of M + A = A. From this another formula can be derived: Cost of M = A − A = O. The principle involved depends on the truth that "production" is simply *conversion,* and that the "cost of production" is just the *loss in conversion,* i.e., the concurrent consumption of A alongside the conversion of material and energy into M + A. The practical implication is that the community get the free and unconditional use of M when completed. In a correct monetary system, whatever sum they received as wages would be a recoverable cost at the moment of receipt, and would remain so until they spent it. As soon as they spent it the cost would be cancelled. Either the price they paid for the consumption of A would leave them with a balance sufficient to buy M; or, if with no balance at all, they would not be charged any price for M.

"A + B" in "The Post."

In the *Post* of March 11, 18, 25 (and later issues which we have not seen) there was proceeding a debate on Social Credit between Mr. A. Newsome (for) and Mr. P. Marsden (against). The latter gentleman has been dealt with in this journal before. There is no new feature in his general attack, but we notice that he professes to discover a flaw in the A + B Theorem. The flaw is that "the formula considers the sale of consumable goods alone." Douglas advocates "use only a one-line A + B," whereas "reality needs at least two A + B formulae; one to represent the consumable goods and one to represent the capital goods."

> "When we put the two A + B's face to face we can see how the whole of the consumable goods are disposed of, sold, or exchanged; whence there is no need for a special issue of purchasing power to dispose of them."

Hence Social Credit writers "shy away from their one-line A + B and dare not tackle the twin-line solution. Although the latter is but an extension of theirs, it is too exact for them; exactness is dangerous."

Here is his example of the twin-line solution.

1. Consumable Production:
   A, £1,000. B, £2,000. Total, £3,000.
2. Capital Production:
   A, £2,000. B, £4,000. Total, £6,000.

The persons associated with process 1 spend their £1,000 on consumable goods, leaving £2,000 worth unbought. The persons associated with process 2 spend their £2,000 on the unbought consumables in process 1. So process 1 recovers its full £3,000 costs in money. Mr. Marsden then comments:

> "Producers of consumable goods recover their costs of production in capital goods of equal value; producers of capital goods recover their wages and profits in consumable goods of equal value."

Applying this to the formulae it would appear that process 1 acquires from process 2 capital goods to the amount of £3,000; and that process 2 acquires from process 1 consumable goods to the amount of £2,000. But since the B expenditure of process 1 is only £2,000 it cannot acquire capital goods from process 2 to the amount of £3,000. So the above statement should have read (and perhaps was intended to be understood as) "Producers of consumable goods recover their '*B*' *costs* of production in capital goods . . ." This, however, is a correction of no particular importance; for the point of the argument is obscure in any case.

By assumption the two processes are proceeding simultaneously. Hence whatever the truth is about the ultimate consequences of their operations regarded separately remains the truth if the two processes are regarded as combined under one management and accounting system. If the separated sets of consequences are mutually compensatory, they should remain so when combined. This means that the twin-line formula affords no more evidence of the truth or otherwise of the A + B Theorem than does the one-line formula. In fact, the twin-line formula *is* essentially the one-line formula. Thus Mr. Marsden's formula can be expressed along one line:—

Production Costs:

A, £3,000. B, £6,000. Total, £9,000.

This expression will serve to formulate the universal truth that at any given time the total price-values allocated inside industry exceed the total money distributed outside industry. Mr. Marsden would probably say that this does not cause any difficulty. If that is true it will be true if all the industries in the world are amalgamated into one concern.

Obviously, in the books of such a concern there can be no allocation of cost on "B" account because all its expenditure is on "A" account. And if there were such allocations they could not be charged into prices along with "A" allocations because there is no source from which prices are recoverable except the incomes distributed under "A."

It remains to be shown, then, why, if "B" costs are theoretically legitimate, and practically recoverable, when recorded in subdivided amounts spread over milliards of separate industrial account-books, these "B" costs become illegitimate and irrecoverable when brought into one account-book.

Fred Henderson's New Book.

Under the title, "Credit Schemes Exposed," the *Star*, of March 29, published the following review of Fred Henderson's last book and another.

> Two interesting books criticising fashionable schemes for currency and credit reform have appeared. They are: "Purchasing Power and Trade Depression" (Cape, 6s.) by E. F. M. Durbin; and "Foundations for the World's New Age of Plenty" (Gollancz, 3s. 6d.), by Fred Henderson.
>
> Mr. Durbin, a young assistant at the London School of Economics, disputes the view that the trade depression is due to deficiency in consumers' incomes. It is not shortage of money, he argues, which has brought trade depression, but an excessive supply of money.
>
> He suggests a credit policy whereby incomes and wages would remain at a steady level while their value increases through more efficient industry and cheapening of products.
>
> Mr. Henderson, a veteran Labour economist, will have none of the new-fangled credit schemes. In his view adjustments of currency or monetary policy will not allow plenty to be distributed to all.
>
> The essential change needed, he holds, is for the community to own natural resources and control production for the common good instead of for profit-making.

So this is what the *Star* calls "exposing" credit schemes! All we can say is that Messrs. Durbin and Henderson will die of the exposure before it affects anything else.

"DOCTORS AND UNEMPLOYMENT."

[Abstract of letter from E. Irving Puddy, M.B., B.S., Litcham, King's Lynn, March 6. "British Medical Journal," March 18, 1933, pages 489-490.]

1. Medical profession largely responsible for fact that there is a permanent unemployment problem.
2. Malthus' law (population—Geometrical Progression; food supply—Arithmetical Progression, hence population outgrow their food supply), falsified by the industrial revolution.
3. This falsification will only continue as long as we can maintain our great export trade.
4. Owing to foreign competition we have to rationalise, hence unemployment due to use of machinery.
5. The obvious treatment is that the population must decrease.
6. Doctors responsible since they have reduced the rate of infant mortality.
7. Sterilisation of the insane is necessary as one step in the right direction.

Capital Products.

By A. W. COLEMAN.

Perhaps the most outstanding feature in Mr. R. G. Hawtrey's plea for orthodox economics at Birmingham was his failure to make any sharp distinction between capital products and consumers' goods and services.

This is, I think, common to most protagonists of the existing system. So long as the goods can be sold, either at home or abroad, it matters little to them to which category they belong. To the new economist, on the other hand, the distinction between the two is fundamental, and teachers of Social Credit find it necessary to insist on this at almost every turn.

Perhaps one of the simplest ways of putting it before a student is to invite him to regard Industry as a single (though, admittedly, complicated) closed organisation with the consuming public outside it. There is really no difficulty in this conception in spite of the fact that the majority of the consuming public are engaged in productive activities within the organisation.

So considered, the single aim and object of this organisation is to supply its customers, the consuming public, with the goods and services they require. Any capital products which the organisation may make are simply a means to this end—they are not ends in themselves.

If this be accepted, so far as the home market is concerned, it will be seen that the costs which the industrial organisation is continuously incurring can only be defrayed by the sale of ultimate goods and services to individual consumers. Capital products are simply the tools of the organisation; the sale of these by one industrial firm to another does not defray any industrial costs—it merely transfers them within the organisation. So long as goods remain within the organisation, the costs attaching to them continue to mount until the goods are taken out of Industry in return for the payment of its money-costs, and the only goods which can be so removed from the organisation are consumers' goods.

When an individual buys coal for consumption in his home, he defrays the cost of that coal, but when the same individual in his capacity as a railway shareholder, i.e., as an industrialist, buys a locomotive, the cost of that locomotive is not defrayed. It is merely transferred from the ledgers of an engineering firm to those of a railway company, and it will not be defrayed until it has been entered into the price of a large number of tickets, and these tickets sold to the travelling public.

In short, the sale of *ultimate* goods and services defrays industrial costs; the sale of *capital* goods and services does not;—a most vital and fundamental distinction.

If I have £100 to spend, I can either buy ultimate goods and services to this value, or I can invest it, in which case I buy capital products—goods or services—to the same value. In both cases, my £100 will be whirled back to the banking system, and there destroyed in repayment of retailers' or producers' loans, but, in the first case, £100 of industrial costs will have been defrayed while, in the second case, £100 of costs still remain in the ledgers of the industrial organisation with no corresponding income to defray them. In other words, the investment of savings out of income increases the ratio of costs to incomes by the amount invested.

But though the sale of capital products within any given national area does not defray any costs, the export of capital products, i.e., the sale of them in another national area, does defray these costs so far as the exporting country is concerned. But from a world point of view these costs remain outstanding; they are simply transferred from one credit and currency area to a different one.

The chief concern of the expounder of the new economics must be the ratio of costs to incomes. Any and every industrial transaction must be investigated in the light of its bearing upon this ratio, and he will find that such investigation will be both more easy and more fruitful if he will insist, ad nauseam, upon the vital distinction between capital products and others.

Technic For the Happy Ending.

By Kathryn Lincoln Brougham.

Will this historic era have a happy ending, a favourable transition into a new state, or, like Rome, will it fail at the height of its promise? There was an inevitable reason for the fall of Rome, since the development of her technology was inadequate for her plan of civilisation. But to-day it is insensate man who keeps technology from functioning. The world is civilised, but its inhabitants are not. Will man himself stand in the way of the happy issuance into a permanently higher civilisation?

Here are the unlimited resources of production and the unlimited demands of consumption, with, surely, the intelligence for co-ordinating the two. Will the repressions of the ages abort the era of plenty?

We see in history that man does not change his conduct overnight, even though he take on new intellectual beliefs. The world is now proceeding from ideas of lack and scarcity to those of plenty for every one. The young demand abundance as their birthright and refuse to consider going to work in the old sense. But there is a hitch somewhere. The habits of an outworn social order are stopping the works. In an age of plenty man admits the abundance but still tries to handle the problem from the premise of scarcity. In dealing with this situation thought and feeling must become dynamic.

Relativity, the principle of our age, has become the new base for mathematics, science, art, education, and economics. In mathematics the school of Einstein is enlarging the scope of the universe; the principle in art is that of dynamic symmetry; the Douglas economics is superseding static notions in finance; in education Alexander, Lee, and Frederick Tilney in America, and their congeners in the field of mental and physical co-ordination in Europe, point the way with a technic of habit-breaking. For relativity must also become the base of psychology of the human mind, not only intellectually but in practice, and if this age is to carry on, thought and feeling must be dynamic instead of static. The aristocrats of thinking have abundantly shown the way. The dynamic thinking of the post-war years could transform the world within six months.

Few can doubt that the changes that are to come are too tremendous to be greatly controlled by the barbarians now in power. This is the age of democracy, of control by the masses. But as the masses are still barbaric in development, the forces of civilisation have an almost insurmountable problem unless impelled by deep wisdom. Or in future men may look back to a gigantic catastrophe at the birth of the glorious social order now in sight.

The danger in mass rule to-day is that it lends itself to individual instead of to collective welfare. It lacks social passion and follows the material law of survival of the individual fittest. But if mass consciousness could swing from interest in the individual integration to idealism for the social whole the problem of a supreme civilisation might be solved.

Benjamin Kidd, successor to Darwin and Huxley, declared that emotion, not reason, determines the evolution of mankind; that power rests ultimately upon knowledge emotionally conveyed rather than on purely reasoning processes.

The Press dramatises its appeal to the emotions in creating and concerting public opinion, and organises for war with success that otherwise could hardly be achieved. Conversely, there is an instinctive turning to the expedient of war whenever an impending need is felt, in an impasse, for the emotion of the ideal. We see now the impulse to repeat that old mistake, to pursue the stated course rather than search out a dynamic solution to our economic dilemma. Like sheep shall we allow Japan, as we allowed Germany, to lead us to the slaughter?

But the situation demands that only through salvation of the whole world can nations and individuals be economically saved. It is fortunate, however, that the New Economics favours emotional flexions that stimulate the will to action along the familiar route of the individual integration as well as along the path of the social, for in this way too much idealism is not expected of us. We are not asked to give all we have to save nation and race, but to allow the world to share an economic emancipation.

There may be, however, something more sweeping on the boards than economic emancipation. For once the forces of civilisation take hold of us, evolution may produce a new associational man. It would not be so much an advance in bodily structure or size of brain, although many human bodies have attained an advanced stage in evolution from the semi-erect posture of the ape, to a new upright balance which relaxes the lower spinal nerves to permit of backward rotation of the pelvic cup and more perfect functioning of the glandular system. With greater self-containment and individual poise, especially among the leaders of men, may also come the new variation in type of social culture.

We have hoped for an evolution of the individual which would round out of the type of *homo sapiens*. But thus far eugenics seems to have concentrated chiefly upon attributes of systematised force, mass psychology and the colossal. Moreover, an accelerating neuroticism seems to herald man for early extinction.

Still in our marrow is the belief in racial salvation. If we consider progress in view of the social integration built upon a more enlightened individual integration, will not the psychic and spiritual forces which govern the race, subordinating the individual to the universal, become the winning forces of civilisation?

All this presupposes a profound change in habit-psychology. Exact methods exist for changing the habits of the individual, best, of course, applied to the young. These methods by slow process of education would, in time, bring about the variation in social culture hoped for. But one would be optimistic to expect such methods to become basic in general education for some time to come.

There is, however, a principle for change of habit which is, perhaps, now being applied racially. It is a scientific fact, in the presence of danger, that instinct shifts from old habits by startling them into a new sense of adjustment. We can all recall emergencies in which we were inspired to achieve things which our old habit-psychology led us to believe we could not do. Live dangerously, Nietzsche counselled, for out of risk comes a startled and new understanding, a fresh mental outlook.

Now mankind confronts its supreme hour of economic danger, moving with steady inevitableness toward the abyss. At the critical point there is the chance for a "click" into the new age, for the soul of the social integration to be born. With it a new religion may appear. Not like the Oxford Movement, founded on dead beliefs, it may become a living conviction of truths not yet realised involving the emotion of a great social ideal.

The technic for a happy ending and issue of this age, then, involves a change in the habit-psychology of the race. Only thus can the Tantalus complex of impotence in the presence of technological riches be dissolved.

The Green Shirts.

NOTES FROM THE GENERAL SECRETARY.

A full section has been formed in Leeds, consisting of ten men, and the nucleus of a Women's Branch (three women).

. . . .

We have received a letter from one of the Vice-Presidents of the Dunedin (New Zealand) Douglas Social Credit Study Group, in which he says:—

". . . The Green Shirts will make their appearance here soon. . . . Our public meeting once a month is usually attended by over 300 persons. Our Study Circle has now an average attendance of over sixty."

. . . .

A woman Green Shirt from S. Devon writes:—

"I am hoping to raise a little money to help unemployed Green Shirts to attend National Assembly, as I did last year, by selling flowers."

. . . .

Manchester Green Shirts will visit Blackburn and Preston the first week-end after Easter.

A London propaganda squad is expected to visit Manchester for the purpose of giving a start to open-air street meetings before long.

A meeting in the Docks district of Salford is contemplated.

. . . .

In order to keep our propaganda "knife-edge" keen and clear-cut, we wish to emphasise the one key-slogan that should be used on all literature, banners, streamers, etc., and to impress upon all ranks the vital importance of maintaining this slogan, day in and day out, on every possible occasion. The key-slogan is:—

"ISSUE THE NATIONAL DIVIDEND."

Three more words may be added when necessary, as follows: "*Issue the National Dividend to Every Citizen!*" All other slogans should be subsidiary to this slogan.

It may be used also in another form, as:—

"DEMAND THE NATIONAL DIVIDEND!"

We heard of someone the other day who felt that the repetition of a slogan might make it "too hackneyed." That is not so. What is known as "repeat advertising" is the only effective form of mass propaganda. The whole secret of success is to keep it going tirelessly, over and over again, on and on and on, until the idea "sinks into the subconscious." What a sickener it was when "*Votes for Women!*" was at the height of its agitational development; when no Prime Minister could swallow his breakfast without being reminded of it. And how fatal it would have been if that key-slogan had been changed, or even varied.

One key-slogan repeated, repeated, repeated—with the whole object of making it as hackneyed as "*Guiness is Good for You!*"—is the correct technique.

Therefore we must keep to the four-word slogan: "*Issue the National Dividend!*"

. . . .

The three subsidiary slogans that have been used with good effect are:—

"*From Dole to Dividend!*"

"*Would a Maggot Starve because the Apple was Too Big?*"

"*Not Less for Some—but More for All!*"

Slogans may be looked upon as different coloured arrows; but each one must hit the same target, and the key-slogan must hit the bull's-eye.

. . . .

A correspondent writes:—

"I came across a reference just lately to the Board of Green Cloth. This was formerly a board or court of justice held in the counting-house of the British sovereign's household. It was composed of the Lord Steward and his officers, and dealt with matters of justice in the household, had power to correct offenders, and kept the peace within the verge of the palace. The board originally sat at a table covered with green cloth.

"It is my hope that the Green Shirts may become a Social Credit Board of Green Cloth in the counting-house of our Banking System—yes, and with 'power to correct offenders' against the Just Price, and to keep the peace throughout the realm! . . . I am not a young man now, but more power to your elbow, and greeting to the Green Shirts!"

. . . .

The May issue of *Front Line* is now in the press, and will be on sale very shortly. It contains a special double-page article, entitled "Green Shirts—Be Seen and Heard!" as well as other articles, correspondence, and a 4 pp. illustrated supplement.

London Green Shirts expect to make a special demonstrational parade during the usual May Day celebrations associated with the Trade Unions and the Labour movement in general.

. . . .

Communist opposition to the Green Shirts is reported to be stiffening. Even if it stiffened into a disciplined organisational form (of which there is no sign so far), it could not be effective. The Communists must stiffen up their economic logic in such a way as to destroy the Douglas analysis and solution. They must fight the intellectual fight first—and win it—or be destroyed in whatever political leadership they may have in this country.

H. T. W.

A Note on Interest.

Interest, considered as the particular method by which banks remunerate themselves for the services they perform, is in principle innocuous. In this aspect it is the same thing as a commercial profit; and the only criticism that can be made would have reference to its size and not its nature. In this particular sense what you call interest on borrowed credit creation means nothing more than, shall we say, remuneration for keeping records of financial transactions. On the other hand, the noxious feature about interest has reference to its use as a means by which the banks effectually discriminate between would-be borrowers. On this aspect of the case rates of interest are only one means, among others, of such discrimination. For instance, loans can be subject not only to varying rates of interest, but also varying periods of time, some periods being fixed while others (probably most) are liable to retirement without notice at any time. So, fundamentally, we need not distinguish between "power" and "profits" because the system of levying interest, etc., is really a means of exercising power to discourage certain forms of economic activities and encourage others. Briefly, the general consequence of the exercise of this power is seen in the preponderating amount of activity concentrated upon the creation of capital plant, etc., as contrasted with the small encouragement given to activities more nearly related to the supply of consumable articles and services to the population.

If you face the banks with this criticism they will usually reply that they act impartially in their selection of borrowers—i.e., that the discrimination happens automatically, and the reason they will give is that so long as a would-be borrower produces a proper security for a loan they, the banks, do not concern themselves with the purpose for which he proposes to borrow. This is true enough within a narrow frame of reference in which they put the argument. But it has an entirely different meaning directly you go back a step and enquire what it is which has invested various forms of security with their various degrees of soundness or otherwise. For example, why should a block of shares in a large electricity undertaking, or in an investment corporation, be a safer security than, let us say, the deeds of a group of farms and other property employed in necessary primary production? The answer is that such current varying degrees of security values reflect antecedent discriminatory acts by the banks. That is to say, your electricity shares are a safer security than your agricultural property because the bankers and their associates are interested in the first and not in the second.

This leads to a further reflection, viz.: that in addition to manipulating interest rates, the banks exercise an enormous influence on the direction of economic activities by their own investment policy. In principle, there is no difference between a banker's loan to an industry and his investment in that industry. From this point of view you will see that securities representing bankers' investments naturally have a higher value (other things being equal) than other securities. In fact, it could be shown that the higher security value conferred on the favoured securities causes the lower value of the securities not so favoured.

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.**

Verse.

Mr. Simmons has a great affection for recurrent rhyme-schemes, and his book is full of triolets, rondeaux, villanelles, and so on; but it is doubtful whether his technical accomplishments justify him in publishing them. Note, for instance, the slackness and banality of the last line here:

The Dreams of Youth! Ah God, our youthful dreams!
At middle-age how distant they appear:
The hope of Spring: how far away it seems
When we are more than half-way through the year.

Here we have a triolet, which should, of all things, be crisp and dainty:

When comes the last day of July,
Then comes a feeling sad:
The days are warm, but I could cry
When comes the last day in July.
The summer months are slipping by,
So how can one be glad?
When comes the last day of July,
Then comes a feeling sad.

Note the heaviness of the repeated inversion of "comes" in the first and last pair of lines. Again, what about the rhythm of the second line of the following stanza:

O, thou divine Apollo, lovely Greek,
Thou patron of all musical art,
And, Saint Cecilia, I bid thee speak,
And unto . . .

I suppose the line *could* be scanned, at a pinch, but that's not good enough for a short lyric. I should charitably have suspected a misprint but for another bad line in the same poem:

On it the owner oftentimes does play.

Wielding the blue pencil is a thankless task. We are told that the critic should help people to appreciate rather than spend his time slating the work of better men than himself. And very nice, too, but it doesn't help me much. I throw away a good deal of the verse that reaches me at THE NEW AGE in mercy to myself, my readers, and the poet him or herself. But here and there I find something not altogether bad, and then what am I to do? I would much sooner leave it alone, but I suppose the author wants his book reviewed; and I suppose it's nearly as good for his sales—and much better for his soul—to have an honest review as to be given half a column of indiscriminate praise. In this case, for instance, I don't suppose Mr. Simmons' friends need my help to appreciate his work; but there is no doubt that somebody ought to tell him that, while there are charming things in his verses, he ought to polish and condense them before he submits them to the general public.

A. BONELLA.

* *Minerva's Owl, and other Poems.* By Bayard Simmons. (Elkin Mathews and Marrot, Ltd. 3s. 6d.)

THE DAILY DOSE FOR DUBB.

[Extracts from "Comments of the Day," by Sir Walter Layton, in the *News-Chronicle*, March 28.]

(1) "We are so dependent on our foreign customers' ability to buy British goods that, until the various obstacles in the way of international trade recovery have been overcome," etc., etc. . . .

(2) "Indeed, in every country ways are being sought to increase employment."

(3) "'Spend for Employment' in the conditions of to-day is sound advice from the national point of view."

(4) "There should be no further hesitation on the Government's part in encouraging investment in public works," etc., etc. . . .

(5) "Money saved on 'doles' lightens the Budget and leaves the rest of the community with a larger income."

(6) "Government borrowing . . . . means increase in production, which leaves behind it durable assets."

(7) "The payment of the doles . . . . does not add a penny piece to the total purchasing power of the country. It is only when an unemployed man is set to work that a 'net gain' to the income of the nation is realised."

(8) ". . . . when the tide turns it will be accompanied by an upward movement of the kind (higher wages and salaries); but a general increase reflected in higher prices and a dearer cost of living would take away with one hand what was given with the other."

(9) "Unless we can increase the size of the cake we cannot each of us increase our share of it. The only effective way of raising wages is to increase the size of the cake by an expansion of trade and production."

"Leon Frazer, B.I.S."

(From the *Christian Science Monitor*, March 6. Title ours.)

The United States has donated many of its most brilliant sons to world organisation. Leon Frazer, forty-three-year-old appointee to the presidency of the World Bank, is one of them. He has leaped to his new eminence in a series of jumps covering ten crowded and notable years.

Mr. Frazer's career is inseparably linked with reparations. He went to Paris in 1922, after service in the United States Army, to join the staff of the Reparation Commission. Perhaps a reminder is in order of that curious and unlamented organisation. The peace conference could not fix the amount of the German levy. In the peace treaty they left the amount blank, setting up the Reparation Commission to fill it in. The task required the aid of innumerable experts, who remained to collect the money. They were banded in sections according to their specialty, and Mr. Frazer joined the lawyer group.

He first served, I believe, under a fellow Bostonian, Mr. Roland W. Boyden, American observer on the Reparation Commission, 1920-23. At any rate, I once heard Mr. Boyden, in introducing him at a private gathering in New York, assert a semi-humorous claim to the honour of first "spotting" him. To his office used to come many memos from the reparations lawyers. Being a distinguished lawyer himself, Mr. Boyden could tell a good argument from a not-so-good argument, and he noticed that those signed "Leon Frazer" always bore the stamp of excellence.

He said to himself, "Here's a future partner for me. As soon as we are finished with this job, I'll approach him." A year passed, and Mr. Boyden went back to Boston. But reparations continued to claim Mr. Frazer. He also continued to catch the eye of well-known men. In 1924, Mr. Owen D. Young, reputedly the best "picker" in the United States, picked him out as one of the essential supports of the Dawes plan which Mr. Young had helped to set up. Mr. Frazer became Paris representative of that other young man, Mr. S. Parker Gilbert, Agent-General for Reparation Payments in Berlin, now a Morgan partner.

Mr. Boyden bided his time. By 1927 Mr. Frazer was ready for home, and Mr. Boyden made his approach, and got his man. Mr. Frazer became New York representative of the Boston firm.

But Mr. Frazer couldn't escape reparations. Soon he was back in Paris, a key man behind the scenes of the Young plan conference, though still keeping up his connection with the Boston law firm. Another year and he received the vice-presidency of the World Bank, perhaps a tribute once more to Mr. Young's "picking." Now he ascends to the presidency, undoubtedly under his own steam.

Some amazement has been expressed that the new president has never served in a bank. What of it? The World Bank keeps no cash and has no vaults. Central banking is altogether different from commercial banking. It is an art, not a business, and the task that Mr. Frazer has now shouldered, of making the World Bank what it was intended to be, a central bank for central banks, will call for supreme art. In other words, it will call for precisely the qualities that Mr. Frazer possesses.

H. B. E.

Liverpool Social Credit Association.

Resolution.

Resolution passed at a public meeting held at Liverpool on February 22. "This meeting of Liverpool and district citizens desires to call the attention of the Chancellor of the Exchequer and Members of Parliament for Liverpool to the following facts of the economic situation in this country.

(1) The existence of an immense industrial capacity.

(2) The existence of widespread need for goods and services which the industrial capacity can supply.

(3) The accelerating collapse of buying and selling.

(4) The consequent existence of widespread unemployment of capital and man power.

(5) The continuously increasing debt on National and Local Government and private account against citizens.

It is pointed out that the above facts are unmistakable condemnation of the policy of economic repression by economy, conservation and retrenchment which has been foisted upon the country by H.M. Treasury in the interest of the Bank of England as the monopolist of the monetary resources of the nation. The function of the Chancellor of the Exchequer and H.M. Treasury is held by us to be solely concerned with the preservation of the necessary conditions for maximum economic life of the people. With this in mind we call upon the Chancellor to embody in his forthcoming Budget provision for the institution of a National Dividend of Treasury Money to every British born subject of the Crown in the Kingdom as laid down in the Douglas Social Credit proposals."

"What Shall I Be?"*

This is a very good book. A boy of eleven picked it up. On being asked later what he thought of it, he replied, "I've read enough to see it's a lovely book for me when I'm a bit older."

He was right. It is for people round about sixteen years. If the publishers could see their way to making an edition as a school-reader for upper forms, it is the sort of book that would benefit teachers and scholars to read together, For here the world of practical men and women invade the class-room. They tell a day of their lives and tell it convincingly, for they are busy with the work of the world—health, research, observation, engineering, town-planning, solving biological problems, producing things we need, experimenting, and so forth. It makes fascinating reading.

There are, of course, sundry references to present-day difficulties. These are called "the slump" or "the present depression," etc., but for the most part the writer ignores unemployment. Indeed, she says quite delightfully of various workers, "the need for these will be greater and not less."

For reasons partly disclosed, we do not get the day of a banker:—

> "There are many ways of earning a living that are half businesses and half professions—keeping a shop, being a produce broker, being a banker, or a merchant, are examples. These were left out because capital and family influence count as much in them as professional training."

Just fancy lumping the banker in with those others; half a profession, indeed; some half!

> "Also there are professions which some shift or change might abolish. A modern world, without advertising experts or members of the Stock Exchange, is perfectly possible; one without constructional engineers or bacteriologists is not."

There is an appendix on sources of information about the various jobs and professions. There is a bibliography of books to read. (I should be surprised if any school library has more than ten per cent. of them, in spite of the innovation of "Career Masters.") Also there are self-analysis charts, which should help young people to face up to their capabilities in a scientific manner, free from moral introspection.

* "What Shall I Be?" By Amabel Williams-Ellis. (Heinemann. 6s.)

Reviews.

Where Stands Socialism? (Rich and Cowan, Ltd. 3s. 6d.)

This is a Fabian medley from Sir Stafford Cripps, S. K. Ratcliffe, Harold Laski, Hugh Dalton, A. L. Rowse, and Bernard Shaw. The subject dealt with formed the basis of the authors' lectures to the Fabian Society delivered in the autumn of 1932. Well, where does Socialism stand? On its head together with a cock-eyed world at its heels. This book is just a superficial skimming of the economic stew-pot:—

> "Skilly, skilly everywhere,
> But never a chunk of meat,"

except for *one* ecstatic Shavian bean! Here we have all the old second-hand stock-in-trade of the Fabian barrow, which has been hawked round since the 'eighties. Despite the attempt at garnishing, it is still as dead as frozen beef!

R. H.

Modern Birth Control Methods. By George Ryley Scott, F.Ph.S (Eng.) F.S.Z. (John Bale, Sons and Danielsson. 7s. 6d.).

As is to be expected from a writer who knows his Social Credit, Mr. Ryley Scott makes no attempt to defend Birth Control on the usual grounds of economic and social necessity. He is merely concerned to give reliable information to those who wish to avoid the risk of pregnancy. All the known methods are discussed and compared, and detailed instructions given as to the technique involved, the degree of reliability of each, and the sources from which they may be obtained. As usual, the facts emerge that no single method is very satisfactory, but that a fair degree of security is obtainable by a combination of methods, and by anyone who can combine the skill of a gynaecologist, with the agility of an acrobat, and the aesthetic susceptibilities of a rhinoceros. On these points this is one of the most reliable books I have read. But since there are apparently still a few misguided individuals who want children, Mr. Ryley Scott adds an Appendix on the Facilitation of Conception And here he has surprisingly little of interest to say. The successful fusion of sperm and ovum depends on a great many factors, few of which are well understood, and it is only with the more obvious and less important of these that Mr. Scott concerns himself. Yet there are whole fields awaiting research, as to the effects on conception, of such things as diet, exercise, mental and bodily tone, etc. And when we have solved these problems it is probable that we shall be able to control conception without recourse to our present mechanical obscenities.

N. M.

Dreiser and the Land of the Free. Dorothy Dudley. (Wishart, 15s.)

The jacket of this book shows a very large man looking out over a lot of sky-scrapers; obviously a pictorial representation of the title. Further, the man is not only large, but singularly repulsive, and this represents the contents of the book. Miss Dudley is a wholehearted admirer, but she paints a portrait which has not a single attractive feature—a journalist of the worst type, a successful publicity man and editor, a loutish satyr without a trace of the humour and kindliness of, say, Casanova. He writes of himself at forty: "I accept now no creeds, I do not know what beauty is, what love is, what hope is." This is obviously a boast, the boast of a man who claims to see through shams and expose them with ruthless honesty; at any rate it is not the credo of an artist. In short, if we may believe Miss Dudley, Mr. Dreiser is just the man his books might lead one to expect; a man of power rather than greatness, of ability rather than genius, of crudity rather than honesty; a man you cannot altogether disregard, but a man you could never like. But for all that the book is well worth reading on account of the social and literary background which Miss Dudley has supplied to her hero's career. She has a sound knowledge of her period, and when she forgets to be oracular she writes with some ability.

M. J.

The Old Public School-boy's Who's Who: Eton. St. James's Press, £2 2s. 0d.

No true sportsman will approach this massive tome without wearing his old school tie, like they all do in Switzerland. All save the Swiss—God save them, one might add, from the winter descent of Darkest Bourgeois Britain, if the simple creatures didn't make so much money out of their affliction. Personally, if I were a Swiss hotel-keeper, I would hang up a sign over my portal: "Englishmen! You are all b—— foreigners here!" However, these are but bright irrelevancies. Let us return to this fine though somewhat funereal catalogue of a decaying civilisation—or, isn't it? Eight hundred pages of Etonians, all done up in a mixture of Burke and the Stock Exchange Year Book. Can there be any material left over for the other public schools to share? Yes; it really does look as if everybody who has ever been anybody was at Eton, with only about 45,000,000 exceptions. (And we know Farmer Baldwin went to Harrow!) A formidable task, this compilation. But if everybody listed in it buys a copy the publishers won't do so badly, and the author will know that he has at least a few dozen intelligent readers. Dr. Lyttelton contributes a pleasant little prefatory note: Dr. Monty James occupies two and a half pages; and there is a piccalilli of eleven different Lubbocks, and a column of Gilbert Frankau. What more can anybody want for his money? Any other school-tie volumes which follow this one must form one long anti-climax. Mr. C. F. Mason, the chief compiler, deserves high marks for his industry in getting so many facts together and having them so boldly printed.

L. S.

LETTERS TO THE EDITOR.

MAN-SACKING MACHINERY.

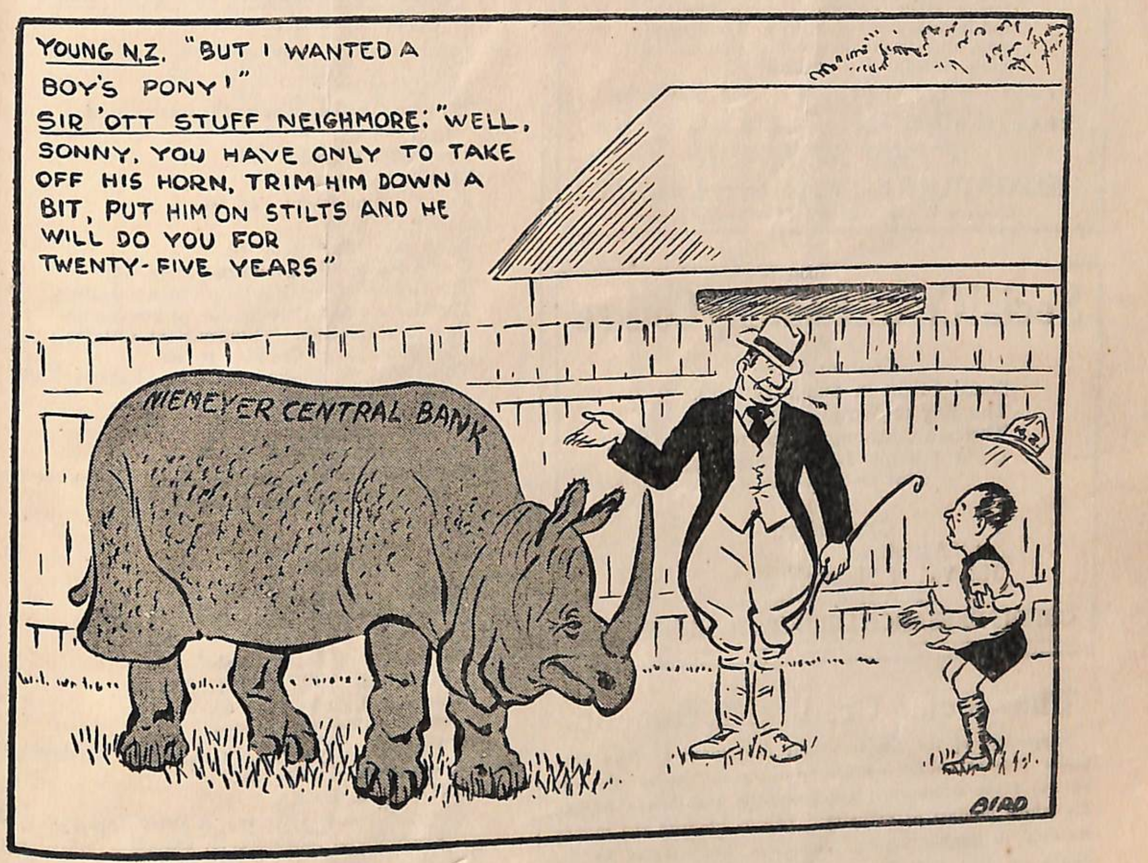
Sir,—Ten years ago I obtained a job of work on a battery of *Gridley* multi-spingle automatics. This is a conversation I had with my foreman the first morning. Foreman: "One of these automatics does the work of ten lathes each operated by one man." I asked: "How many handicraft workers did one lathe put out of a job?" Answer: "About ten, I should think." Considering that I was tending a battery of ten automatics, I said, "Then I am doing 1,000 men's work; who gets the 999 men's wages?" Answer: "Blest if I know—perhaps the boss of the works."

I thought so at the time, but not now. There is to-day on the market an automatic (*The New Britain*. U.S.A.) which makes a half-inch bolt six inches long, every 24 seconds! This is six times quicker than the old-fashioned *Gridley*. One man doing 6,000 men's work, with a lad helping him to feed the machine with steel bars. I worked on these machines for £3 a week. The wages of the machines, which nobody got, was £17,000 a week!

ROBERT J. SCRUTTON

(Editor: *This Prosperity*, St. Peter's Vicarage, Coventry).

CARTOON.



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Gentlemen,— When I applied for your Course last week I knew nothing about finance. After reading your very first lesson I sat down at once and wrote a general attack on the Douglas Scheme. I submitted this, as you advised, to the Bank of Blue-Mouth Snails. To my intense surprise I received an acceptance by return of post accompanied by a cheque for £100. Not only that, but they offered me a firm contract to write ten more attacks on the Douglas Scheme from various points of view at weekly intervals at the rate of £200 an article. Considering that I know nothing about the Douglas Scheme I think the whole credit for my success is due to the excellence of your tuition; and I hasten to give you that credit. I confess that at first I was a little doubtful of the assurance you gave that it was not necessary for me to study the Douglas Scheme, but what has happened has shown me how much wiser you are than myself. I now look forward with extreme expectancy to the receipt of your Lesson No. 2, which I understand will furnish me with a viewpoint on the Douglas Scheme together with hints for expressing it. It is a fortunate coincidence, by the way, that you issue your Lessons at the same intervals as the Bank requires manuscripts. This will ensure promptitude on my part in the fulfilment of the contract. May I repeat my thanks for your wonderful service. How you manage to provide it gratis passes my comprehension.—With my humble respects, I remain, yours gratefully, CRINK L. TRIPE.

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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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