

THE NEW AGE

INCORPORATING "CREDIT POWER."

A WEEKLY REVIEW OF POLITICS, LITERATURE AND ART

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NOTES OF THE WEEK.

Clergy's Widows and Pensions.

The Church Assembly were faced with the invariable dilemma last week. The need for providing for widows of the clergy on some systematic plan has long been recognised. The Assembly had a pension-scheme before them. It goes without saying that it was a contributory scheme. But what disturbed the Assembly was the proposal to make contributions compulsory. They recognised that large numbers of the younger clergy could not afford the proposed levy, but were told that if contributions were made optional the size of the widows' pensions would have to be reduced by one-half. Eventually the widows got their mites, the Assembly approving—or acquiescing in—compulsory contributions.

The immediate effect of this must be to tighten the screw on defaulting tithe-payers for the one part and increase the collective default in ratepaying by the clergy for the other part. As far as tithes are concerned it is probably the truth that the whole proceeds will now be legally earmarked as to disposal by the clergy when collected, that is to say that a rector, for instance, might just as well assign his rights as tithe-owner to Somerset House, the Municipality or the Commissioners of the Pension Fund, and leave the collectors appointed by those bodies to face the irate farmers and incur for those bodies the odium which rightly falls on the lay controllers of financial policy, but which at present falls on individual ministers of religion.

The dilemma which faced the Assembly proceeds from the same cause as precipitated the General Strike in 1926 and the Electoral Stampede in 1931. That is the refusal of the bankers to sanction "subsidies"—whether to private industries or to public institutions. The reason they give is that every new concession thus granted in one quarter would be a new burden borne in another. If it is pointed out that the Bank of England has the power to create and advance new credit to the Government, and can thus avoid the above consequence, the reply is that there would be a general burden on the community (a) new taxation to pay the interest on the loans, (b) price-inflation as the automatic consequence of the progressively increasing volume of circulating credit. The reply "b" would remain valid even if the Bank lent credit interest-free. It would be open to

critics to say that nowadays banking opinion is in favour of raising price-levels anyhow, and that banks are encouraging the use of masses of loan-credit for e.g. slum-clearance and other "public works." And if these critics were adroit they could manoeuvre the banking apologists into the position of having to explain why, if interest and inflation were worth the risk, or the burden, entailed in re-housing the tenants of slums, they would not be equally so if entailed in preventing the de-housing of the widows of the clergy. The bankers might explain that the widows had no income, actual or prospective, and that to provide for them was not "reproductive expenditure." The critic might ask what about the prospective incomes of slum-dwellers—what guarantee is there that their future collective earnings will cover the future "economic rentals" of the new houses. But apart from that, the validity of the bankers' distinction depends upon whether the contributions of the clergy will, as a matter of fact, be recoverable even though compulsory. If not, and the pensions are not to be reduced, the deficit will have to be charged to taxpayers in general. Again, supposing that the clergy do pay, then a sum of money equal to their collective payment will be missing from the consumption-markets where it is now spent, setting up a tendency to deflation and disemployment which is not only admittedly burdensome in itself, but is in direct contradiction to the reflationist policy now generally favoured by the banks.

We recall *The Times's* leading article of May 16, booming the slum-ramp, in which it exhorted Churchmen who had money to spare to lend it for housing at a "less rate of interest" than they could get elsewhere, or "free of interest." That is a pretty frame for the picture of the clergy, most of whom have no money to spare, being compelled to finance the relief of their own dependents. Charity begins at home: and a moneyed Churchman, as a Churchman, should regard the proven needs of known members of his own faith as a prior claim on his benevolence to the assumed needs of unknown slum-dwellers of all faiths or none. From a human standpoint no distinction should be made between bodies of believers or between believers and infidels; but it does seem ludicrous to conceive of Churchmen's money going to put some budding Brad-laugh, or Foote or Cohen into a better house while the

provision for housing and feeding of the widows within the Church is being charged to the already impoverished servants of the Church.

The Social-Credit Campaign

We hope that speakers and writers on Social Credit, when discussing the present Conference, will make sure that their audiences get a clear picture of the international financial background before their attention is drawn to anything taking place on the stage. In other words, they must be made to realise that they are witnessing nothing more important than a play, inspired by bankers, written by bankers, produced by bankers, and acted by a cast selected by bankers. It has been said of Bernard's Shaw's dramatic works that they "play themselves," meaning that so long as the actors memorise their parts accurately and recite them competently the effect intended by the author comes across. Impromptu "gags" and "business" are unnecessary. The bankers' play has been conceived as embodying the same characteristic, but with the important distinction that impromptu are expressly forbidden. We use the expression "conceived as embodying" advisedly, for the bankers' play does not in fact embody the characteristic—the reason being that they have not yet agreed on a complete authentic version for the actors to follow. The result is that no actor dares learn more of his part than the little piece he is immediately due to speak, in case the next piece has been altered before he comes to it. Anything he finds written down for him to say may have become a forbidden gag by the time he says it. Hence his "acting" is very nearly reduced to the "business" of making meaningless movements with his lips and vacuous gestures with his arms while the prompter declaims the authorised lines from the box—and even the prompter has to gabble them in trepidation lest a breathless messenger bursts in on him at any moment with a revised version. It is the same with the ordering and timing of entries and exits. Thus, let us say, Mr. Cordell Hull, to whom is assigned the rôle of Mr. America, is directed to make his entry at a time which we will call Tuesday. He gets ready for the call. When the boy knocks him up, it isn't to call him on to the stage, but to tell him he's to go home till tomorrow and leave his part to be rewritten overnight. In the meantime, some super is rushed on to the stage to recite a hurriedly prepared speech to the effect that Mr. America has been detained by urgent business—a speech not for the audience to regard as addressed to them, but intended to be considered as a part of the drama being enacted.

Readers will remember that this actually happened on the second day of the Conference; and that an identical incident took place in the House of Commons, when the entry of Mr. Chamberlain (playing the Chancellor of the Exchequer) was postponed twice during the session. It is no wonder that even the paid newspaper-claque in the stalls, let alone the unpaid majority of the audience, are already (we write on the third day of the Conference) whispering, yawning, coughing and shuffling. And it is lucky for the actors that there's no charge for the show: otherwise they would be pelted with rotten eggs—and may yet be if they continue to lend themselves to these ineptitudes. It is an eloquent sign of the demoralisation among the leading politicians of the world that they are abandoning even the pretence that they are the authors of the policies they advocate: while expounding their views they unblushingly hold the telephone receiver to their ears. They provide much the same spectacle as if a doll in a marionette show suddenly began to climb up the wire on which it was suspended, just to show how the business was worked.

The analogy of the marionette-show lends itself to an illustration of the structure of High Financial government. A complete picture would require three stages one above the other. There would be a super-operator which would represent the Bank for International Settlements—let us shortly designate this operator as

the Basle Directorate. On the topmost stage you can picture, let us say, four dolls representing central bankers; and can give them names, i.e., Norman Schacht, Moret, Harrison. The wires on which they are suspended and which control their movements can be considered as representing the fundamental principles of financial policy. These four figures are operated from above, but are, in turn, operators of other figures on the stage below. The wires which they handle for the purpose can be considered as representing the rules of banking practice, and the figures operated, bankers generally. These again operate other figures on the bottom stage, handling wires representing the rules of commercial finance, the figures operated being "capitalists." One could, of course, bring in a fourth stage representing the "workers," but the relations of capital to labour are too well known to need illustration besides being relatively remote from that aspect of control on which we desire to lay chief emphasis. And so, going upwards, the financial procedure of capitalism has to conform with that of the bankers, and the rules of the bankers' financial procedure with the principles of the Basle Directorate's policy.

Now the core of the Basle Policy is the preservation of the existing cost-calculus from exposure and correction. Mr. Gorham Munson, the American writer, has recently said: "What Major Douglas contemplates is a book-keeping revolution" [*Current History*, New York Times Co., May issue (25 cents), article entitled "Douglas Cure for Economic Ills."]. The central pre-occupation of Basle is to suppress the analysis which discloses the necessity of such a revolution and proves its technical soundness and administrative feasibility. Driven to it, the Basle Directorate might permit enlightenment on any one, or any two, of the three aspects of the Social-Credit analysis: but *not of the three together*. In the last resort they would tolerate the people saying: "We can't do without this revolution," or: "We see how it might work": or: "We see how to get everyone concerned to agree to work it." And they might tolerate all three being said at the same time, provided that they were *not said by the same people in the same place*. Since Basle cannot stop enlightenment on the subject from spreading, its policy will be to effect the separation of its three aspects. They have nothing to fear from the technical understanding of Social-Credit, so long as they can maintain the existing "democratic" principle of rejecting policies backed by a minority vote. Out of every 100 people perhaps 5 might be got to see that Social Credit was a sound technical proposition. Perhaps another 5 (probably more) would deny its technical soundness. This would leave 90 people representing a mass of inertia proof against technical argument either way, or confused by the conflict of technical argument. It would decide upon its "views" by reference to moral considerations, the chief of which would be this: Are we fit to have Social Credit? So there would be two main cross-purposes prevailing throughout the political controversy—the 20 people debating whether Social Credit was fit for men and the 80 people debating whether men were fit for Social Credit. In such a situation the bankers would have the easiest task of persuading 70 of the 80 to regard the mere fact that there were conflicts of view as affording strong presumption that the system was unsound or the people not fit for it, or both. Further, even some of the 10 people who accepted its soundness would mistrust the effect of its adoption.

On a vote therefore, there would be a majority of something like 70 to 10 against the adoption of Social Credit. Further, that majority could be brought up into the region of 95 to 5 against if, instead of a straight vote on Social Credit as authentically and accurately defined, the electorate were invited to choose between that remedy and another which purported to give them "something on account" and "sound moral safeguards." Whatever the figures, it is inevitable that the advocates of authentic Social Credit must always be in a minority when every case

marked down by the lethargic, the ignorant and the fearful has the same power as that marked down by the active, instructed and adventurous.

If you watch developments carefully you will detect signs of a cleavage in the character and purpose of Social Credit propaganda, manifesting itself in the separating out of two groups, the larger of them following the principle of peaceful persuasion alone, and the smaller following additionally that of militant pressure. The larger group accepts the arbitration of the franchise while the other rejects it. It is no disparagement of the *bona fides* or of the competence of the larger group to point out that the bankers must necessarily prefer them to lead, and, in effect, to become, the "Social-Credit Movement." At the very best the method of peaceful persuasion is slow—and the bankers are playing for time.

There is another reason why the bankers would like to see a great numerical preponderance of pacifists over militants in the movement. It is that this would afford them moral sanction for direct action to suppress what they would call "subversive" or "unconstitutional" methods. They could say to the public at large: "We are not suppressing Social Credit; for look! this mischievous group is many times outnumbered in the Movement, and is implicitly if not explicitly reprobated by the best-known leaders of the Movement." It would not be necessary for them to wait for an occasion when militant pressure transgressed the law (which of course it need not)—they could decree methods at present lawful to be unlawful, just as happened in Western Australia when the unemployed began drilling. The fact that those out-of-work were unarmed, and did not seek to be armed, made no difference: they were stopped under a legal penalty of seven years for anybody caught drilling them. This unarmed military technique became unlawful military technique. So might it in this country. And we have no doubt that the Reds and the Blacks would be secretly pleased to suffer under this legislation for the sake of the suppression of the Greens.

We use the word militancy to cover a wider range of actions, and more planes of influence, than are associated with its colloquial use. The Votes for Women campaign during the years leading up to the war provided the most familiar examples of militancy. The essence of their policy may be expressed by the word *intimidation*—physical and moral, active and passive. And the effect which was aimed at, and which distinguished the "suffragettes" from the "suffragists," was that of placing every member of the ruling classes, and every publicist, resistant to their demands into a position of personal apprehension, or discomfort, or irritation. Secondly the aim was to produce the same reactions in institutions, political, professional, financial, or commercial. Among the methods were these:

- (a) Incendiarism—since explained by their leader "General" (Mrs.) Drummond as designed to inflict losses on insurance companies.
- (b) Gatecrashing into private society-functions to create disturbance generally and to intimidate certain influential personages present who were against them or indifferent to their demands.
- (c) Waylaying Ministers in the streets.
- (d) Disclosing and disseminating scandal—such as when they dragged up the old story of a well-known judge who was unfortunate enough to die suddenly in a house of ill-fame.
- (e) Acts of self-immolation, as when a woman threw herself under a horse during the running of the Derby.
- (f) The employment of satire and ridicule in speech and writing, not only against their "anti-feminist" enemies, but also against their pro-feminist allies, the "tame suffragists," as they called them.
- (g) Demonstrations in police-courts, and hunger-strikes in prisons.

These methods, it will be seen on careful survey, were bound in every case to occasion, in the last analysis, either moral or physical discomfort to their enemies—

and particularly to politicians who were so placed as to be able to assist or obstruct their policy. They got everybody rattled. And the nature of their methods ensured publicity, which in turn helped them to extend and improve those methods. For militancy is always *news*, while non-militancy rarely is. At one juncture in the campaign the *Daily Telegraph* came out with an announcement that it had decided to cease reporting any of the words or deeds of the militants—a decision which merely drove people to read other newspapers. We remember once hearing Lady Yoxall (a prominent suffragist in Richmond) confess confidentially to her friends: "I thoroughly disapprove of these unconstitutional methods, but I am bound to confess that our cause would not have progressed as it has without them." And the others had to agree; for they all had lively recollections of the flippancy with which Parliament and the Press had invariably treated measures for enfranchising women on the rare occasions when they came on the agenda of the House. Followers of Major Douglas will see the close correspondence between the attitude of Parliament then, namely: Political policy is a man's affair, and its attitude now, namely: Financial policy is a banker's affair. As the suffragists probably commented then: The woman's rôle is to run the home on what her husband chooses to allow her, so might advocates of Social Credit comment to-day: The rôle of men and women is to run their home-land on what the bankers choose to allow them.

The suffragettes were helped in their campaign to some extent by the circumstance that when they came into conflict with the police in public places disinterested male onlookers were always ready to intervene when rough-handling went beyond a certain limit. Nor indeed did the police relish the job of exerting even the force necessary to remove them from the scene of action. There was no such a thing as a force of police "charging the mob," much less its running amok and repeating the charges after the order to retire had been given, as happened at a recent Hyde Park demonstration. Any attempt by Social-Credit militants to do some of the things which the suffragettes did would be doomed to failure.

On the other hand there is a circumstance which applies helpfully to the Social-Credit action-problem but which did not help the suffragettes. That circumstance is that whereas the delay in granting woman-franchise merely created the problem of dealing with the militancy of the suffragettes, the delay in adopting Social Credit is not only creating the problem of dealing with such militancy as Social-Credit advocates might resort to, but is also intensifying the graver problem of dealing with the spontaneous and (politically) unconscious militancy among all classes of the community. The authorities have to fight a designed militancy in favour of the new system combined with an undesigned militancy against the old system. For example the woman who, last week, tendered to the Municipality one-tenth of her rates on the ground that that was the proportion which England had offered America was pursuing a course of *voluntary militancy*; while the thousands of other ratepayers who are paying short because they haven't got more are pursuing a course of *involuntary militancy*. The immediate technical effect of the two is the same—both contributing to the disorganisation of municipal (and eventually national) finance. But the ultimate political effect of the voluntary militancy will be to open the eyes of the involuntary militants and infect them with its spirit. The immediate political effect in this particular instance can no doubt be nullified by official arguments which, given the assumptions on which they are founded, would convince involuntary defaulters that the woman's gesture was based on unsound reasoning and was a dangerous example to set. But such arguments are implicitly rebutted by the Douglas Analysis. Hence the Douglas Analysis is bound to be regarded as a potential menace to the preservation of "law and order" as construed by the authorities, or, as we construe it the procuring of peace-

ful obedience by an awakening people to legislation which a snoring Parliament has passed in its sleep.

The speed at which the potential menace becomes actual is measured by the speed at which the logic of Douglas's technical analysis is communicated to the public and translated into political agitation or action. That speed can be regulated according to the teaching-policy of Douglas advocates. These have a choice between two policies, the one non-militant and the other militant.

The choice primarily rests upon what the answer is to the question: "Is *time* the essential condition of success?" If not; if we can afford to wait for peaceful and friendly persuasion to engender the motive-power necessary to accomplish the task of getting Social Credit adopted, non-militant policy seems the better. In that case the methods of propaganda designed to appeal to the more influential sections of society should avoid all risks of causing affront, irritation, discomfort or apprehension (a) to any prospective convert, whether he be a Member of Parliament, a Minister, a Diplomat, a Bishop, a Judge, a Press Magnate, or even a Banker, or (b) to any corporate body representing the philosophies and sentiments upheld by those types. This would necessitate a complementary design for propaganda among the public. It would have to be such as avoided imputing to any high personage or institution corruptibility, incompetence, indifference, laziness or other defects—for this would tend to excite the spirit of impatience and turbulence which, by hypothesis, is rendered unnecessary (for there is "plenty of time") and is even obstructive (for it "alienates sympathy above" and slows down the rate of conversions). Again, and most important of all, this safeguarding of the non-militant policy would impose on propagandists generally the duty, not only of refraining from casting odium as described, but of refraining also from communicating or submitting any facts or arguments which might prompt the public to resort to the casting of odium on their own account.

Now, we are going to assert that this safeguarding of non-militant Douglas policy cannot be achieved without the mutilation of the Douglas Analysis. By mutilation we mean any or all of the following methods.

- The omission of one or more of the aspects of Social Credit described earlier.
- The alteration of the order, or of the relative weights, of Douglas's original range of emphases.
- The omission to explain, or to emphasise the explanation of, the practical implications logically proceeding from Douglas's technical reasoning and conclusions.

To illustrate, the offence "a" would be committed by concentration on the anomalies of the present system, or on the soundness of the projected system, or both, to the exclusion of the means of transition from the one to the other. This would engender merely contemplative discontent and hope. The offence "b" is constantly being committed by the disproportionately large amount of propaganda directed to Credit in its money-aspect, compared with that directed to Credit in its price-aspect. The offence "c" is committed when, for example, propagandists refrain from examining the economic consequences of crimes like robberies, incendiarism, forgeries, etc., against the background of existing financial policy and technique.

These three methods share the one common characteristic that they involve leaving a gap in the presentation of Social Credit. That is to say, comparing propaganda in general with an advertisement hoarding, and methods as posters, the non-militant advertisers would leave blanks on the hoarding sooner than affix posters of a provocative type. That might conceivably work out tolerably well if the blank spaces were left blank. But that does not happen. What does happen is that other advertisers sneak along and stick up posters of their own. Their appearance there will not seem incongruous when examined one by one from a close-up point of view; but the effect of the combined display upon the

man-across-the-street will be negative—he won't buy, or, if positive—he will ask for the wrong thing. The people who thus misuse the hoarding need not necessarily be agents of the bankers. Why indeed should bankers provide posters, paste, brushes and bill-stickers at their own expense when there are hosts of well-intentioned reformers willing to do all this for them, and with the same effect as they themselves would have aimed at?

If Douglas is not completely represented he will be completely misrepresented. A full, unexpurgated version of Douglas can no more be consonant with the criteria of moral and cultural values which have grown out of existing financial policy than it is consonant with that policy itself. Existing rules of conduct have been slowly evolved out of the stresses and strains imposed upon humanity by financial policy. It is therefore impossible to conceive of any scheme which reverses that policy, and therefore removes the stresses and strains, to be advocated frankly and fully without creating mistrust and hostility among persons sentimentally or professionally interested in upholding those rules. Take the virtue of patience. How can an exponent of Social Credit teach that economic hardship is technically and immediately removable in collaboration with someone who preaches patience under it? Or imagine your advertising a fool-proof machine and a psychological treatment for foolishness at one and the same time?—or a system of life to gladden unchanged hearts along with a system for changing them. A person cured of foolishness won't want a fool-proof machine. What fun would he get out of it? And we suspect that a generation with a changed heart would not want Social Credit—in fact when we look at the pundits who preach the doctrine we feel pretty certain of it. "Love not the world, nor the things that are in the world; for the world passeth away, and the things thereof."

The conclusion from all these matters is that non-militancy is wrong in principle and would be ineffective even allowing plenty of time for its exercise. But there is not plenty of time. So we lay down the principle, for ourselves at any rate, that Social Credit propaganda should be *Douglas, the whole of Douglas, and nothing but Douglas*. This principle applies not only to the teaching of the technical truth of Social Credit but also to the spirit in which the teaching is undertaken. The teaching will inevitably foster the militant spirit even when not conveyed in a militant manner. The spirit should be that of facing up to this consequence, while refraining from encouraging, and discouraging if necessary, hasty and unsound manifestations of militancy on the part of listeners. The object, as we conceive it, should be to develop both in the teacher and the taught a Social-Credit conscience—one prepared to consider ways and means of action more on the merits of their efficiency than with regard to the sanctions of orthodox precedents. The orthodox system provided for the exercise of spontaneous political initiative has been designed to short-circuit it. If that initiative is for something which Finance disapproves, and is expressed in the only way Finance has left open, namely marking a ballot paper, it dies on the declaration of the poll. The return of a candidate is in itself the turn of a switch which sends the people's mandate chasing its own tail like a squirrel in a cage.

Observe that in making these observations we are talking militancy—insinuating in a negative form suggestions which the bankers would call "subversion." This is not a hasty or unsound manifestation of militancy, because it is not actionable (at least not yet) and can safely be repeated by any citizen without danger so far as the law is concerned, though he might expose himself to reprisals from his employer or his bank now or later on.

Readers will be well aware that in this journal we have consistently emphasised the impotence of the democratic system, and have filled many pages with circumstantial accounts of the illicit methods followed by

banks here and in the Dominions to side-track public policy and clear the line for their own; often naming the persons whom they have used as tools for the purpose. Further, attentive readers whose memories go back ten years will have seen that, from the time when we secured the reversion of THE NEW AGE from Major Moore, the journal has been slowly changed in character until now it is exclusively a "Douglas" organ. To revert to our image of a moment ago, the posters which decorated the "New-Age" hoarding as Major Moore left it have been stripped off. The first to go were the half-baked productions which the Cambridge School of Economics (or graduates thereof) had prepared—the dust-cart fetching them away to the derisive valedictions of the readers who had been hanging on. Subsequently others were stripped off—Mysticism, Philosophy, Religion, Psycho-analysis, Anti-Semitism, not to speak of that perennial preoccupation of the intelligentsia—Sex. Our policy was considered mistaken by friends whom we were sorry to disappoint. They thought that we were thereby sacrificing circulation (which is quite probable) besides limiting our usefulness. But we thought that these excluded subjects, important as they are in the field of general cultural research and debate, were redundant, incongruous, and even defeatist, for they lent themselves so readily to the obscuration (as we have since perceived) of the problems of political action logically arising out of the Social-Credit analytical theory. For example, if we were to sell Psycho-analysis alongside Social Credit, we should find ourselves thereby selling, let us select, across-the-street Douglas. Inevitably, then, the mention of Freud's opinions on political problems in general ranked with equal relevancy and cogency with those of Douglas. We select Freud for our example advisedly. As it happens, this gentleman has been communicating his views on the causes of war to Professor Einstein, in response to a letter of invitation by the latter to do so. The text of both has been published in a book called *Why War?* by "the League of Nations and its International Institute of Intellectual Co-operation," who promoted the correspondence. We have got this information from a review of the book which appears in the current number of *Close Up*, a quarterly devoted to the technique of film-production. (The catholicity of international intellectuals is astounding!) We re-produce an extract from the review. It is mostly a faithful presentation of Freud's views. Let it be borne in mind it was written in answer to the specific question: "Is there any way of delivering mankind from the menace of war?"

The deepest and strongest obstacle to peace lies in the aggressive or destructive instinct in the individual, "which is seldom given the attention that its importance warrants." How important it is may be surmised from statements such as that of Ernest Jones to the effect that it is difficult to over-estimate the quantity of sadism present in infants or that of M. Klein that "in children of every age it is very hard even for deep analysis to mitigate the severity of the super-ego." The instinct of destruction must find some outlet, and it has alternative paths open to it. It may be directed to the external world, or it can turn inward on the self. When the latter happens too extensively "it is no trivial matter, rather a positively morbid state of things; whereas the diversion of the destructive impulse towards the external world must have beneficial effects." We might even say that the turning inward of sadism is so little a trivial matter that, if the factor of dread of the form future wars will take helps (as Freud thinks it may) to put an end to war in the near future, we may yet be forced to regret the perfection of the methods of destruction as depriving us of so useful a form of relief from internal tension.

This passage needs no comment than that we regard it as a study in diabolism. "Making for peace we have

the 'erotic' instincts—in the wide sense in which Freud uses the term" continues the reviewer.* We prefer to say: Making for pacifism we have erotomania—in the narrow sense in which we all use the term. As bearing upon this, we saw an account in a newspaper last Sunday of a trial proceeding in Austria where some doctors are charged with practising surgical sterilisation on some hundred or more poor men for a fee of £2 or £3. The operations have been performed at the request of the patients, whose reason was that they were too poor to risk additions to their families. The practitioners are pleading justification accordingly. They might just as well plead the doctrine that over-population causes war to show that they have been helping to deliver mankind from the menace of war. Both pleas are valid if the axioms of finance are valid, and we may yet see the practice of sterilisation, which is forbidden to-day, enjoined to-morrow.

These things go to prove the danger of mixing subjects belonging to the region of transcendentalism with the subject of Social Credit, or, for that matter, with the subject of economics generally. We believe that events to come will prove our policy to have been right even if the penalty for being right strikes us down before we can take the call and receive the bouquet.

We refer of course to the repeated celebrations of the obsequies of THE NEW AGE which are discussed by Mr. Hargrave elsewhere. Their frequency and importance seem to have increased in the same measure in which we have been clearing the decks for action. It will also be noticed that the successive burial-services read over this journal coincide with christening-services over other journals. And it is significant also to notice that the very subjects which we have scrapped because they tended to sterilise the force of our militancy have been picked up and synthesised with the subject of credit-reform in other journals. Thus in *New Britain*, a new twopenny weekly containing 32 pages, and calling itself "A Weekly Organ of National Renaissance," has already featured Professor Soddy, Sir Herbert Samuel and Mr. S. G. Hobson on finance-economics (a guarantee that the journal is not going to concentrate on any definite policy) and filled up the rest with cognate matter—sociology, world affairs, physical culture, etc., treated in a politico-evangelical spirit—contributed by writers including Professor J. MacMurray, M. M. Cosmoi, Valerie Cooper, and Mr. C. B. Purdom. The upshot of what they all say or hint is that the National Renaissance must come via personal regeneration. Apparently we must each of us be reborn and then the nation will be reborn. Miss Cooper prefaces her article, which describes certain physical exercises and their purpose of creating or restoring "rhythmic flow," with the remark that these exercises play a necessary part of the planning of "New Britain." Mr. Purdom, the editor, booms slum-clearance. So does Professor MacMurray. (Purdom is reputed to be a close friend of Ramsay MacDonald.) The gentlest thing to say of all this is that it is vague and purposeless. And so distant. For even supposing "New Britain" to arrive, the promoters of the plan are even now promoting another for a "New Europe"; and no doubt will be ready with one for a "New World," to be followed by one for a "New Universe." They are great symmetrists. *New Britain* comes out weekly; *New Europe* quarterly; and when the *New World* comes out it will—really must!—appear annually; while the *New Universe* might appropriately appear every century, or perhaps better, at the periodicity of some time-cycle decreed by the Great Pyramid. After that, perhaps the Lord's Prayer will be properly understood, and we shall have the *New Loaf* daily. Even the cartoonist of *New Britain*, Stanley Herbert, commits a howler. In his picture, which contrasts the

* The book is translated by Stuart Gilbert. It has been published in a limited edition at 6s. No address is given where it may be procured. The reviewer signs with the initials H. A. M.

"Ruins of the Old" with the "Promise of the New" he portrays the "Old" as a group of derelict factories in deep shadow, and the "New" as an imposing and effulgent structure bearing a remarkable resemblance to the Bank of England. (See the first issue of *New Britain*, May 24). The title of the cartoon is: "You have had your day; now mine begins." The figure who speaks looks like Britannia—but then we all know how cunning at disguises our shy Governor can be.

In our judgment the fact that the planners behind *New Britain* are able to sell three or four brands of nondescript economic theory combined with writings on exactly the same subjects and of exactly the same type and tenor as those which we have excluded from THE NEW AGE, proves at least that our policy has not necessarily weakened the force of our effort to win understanding and support for the Douglas Theorem and Proposals. And the probability is that when you attempt to sell Social Credit *plus* something, you sell Social Credit *minus* something.

It is on this probability that we found our explanation of the false reports of the death of THE NEW AGE coupled with the temporary advertising of the birth of other publications. Taking them all together it is impossible for us to resist the conclusion that they have a common ultimate source in the intelligence departments of the bankers. That granted, we can only reconstruct the plan as we should work it if we were the bankers. We should endeavour to contrive matters so that the less obnoxious Social-Credit organ suffocated the more obnoxious. That done we should proceed similarly to contrive the suffocation of the less obnoxious Social-Credit organ by another which was not obnoxious at all. That is why we speak of the external advertising of *The New English Weekly* as temporary. Would it continue after THE NEW AGE was dead and lying down?

Broadcast Debate.

The B.B.C. has sent the following answer to a correspondent who asked for the debate on June 21 to be broadcast on the "National" as originally arranged:

In reply to your letter of June 13, we fear that it is not possible to alter the arrangements which we have made and published in the "Radio Times" of June 16 relating to the discussion on the Douglas Credit Scheme. We are, of course, aware of the limitation of the London Regional transmitter where the service area is concerned, although it covers the London area with a radius of approximately eighty miles. The discussion will also be broadcast regionally in the North of England and in Scotland as well as from the new high power West Regional transmitter at Washford, Somersetshire.

C. R. WADE, for Director of Talks.

The Gaming Acts and the Revenue.

The raid on the Luncheon and Billiard Club in Long Acre on May 9 resulted in three sets of proceedings at Bow Street—(a) the binding over of eighty frequenters; (b) the fining of club-employees in the sum of £260; (c) the fining of the proprietor in the sum of £300. Evidence showed that on one day the profits of the Club were £80. Thus the total fine represented only seven days' profits. This sort of proceeding will never extirpate these clubs. But is it meant to? Are not the clubs, in the fast analysis, unofficial collectors of taxes, who are allowed a generous share of their takings as a salary for procuring revenue which the State would otherwise miss? No wonder that bankers encourage political moralists to manufacture new crimes. New crimes, new fines, new revenue!

"Dead"—and Alive.

By John Hargrave.

"Oh! the brave days of THE NEW AGE, when we were all young and intellectual, and Orage was our hero. It must be ten years since THE NEW AGE issued its last number, and I cannot help but wonder whether we can 'recapture that first fine careless rapture' of the days when we were all agog to put the world to rights." (*Civil Service Opinion*, May 15, 1932.)

"As early as 1909 a critic in THE NEW AGE, a brilliant journal that has been revived as the 'New English Weekly' . . ."—(*Nineteenth Century*, July, 1932.)

"Arthur Brenton, who had been in a gold assaying office, assumed the editorship of THE NEW AGE. Under him it continued its advocacy of Social Credit, but its circulation fell away and it shrank in size."—(*Current History*, May, 1933. Published by the New York Times Co. 25 cents.)

"New periodicals appeared to meet fresh needs and interests. The 'New English Weekly,' under the editorship of Mr. A. R. Orage, is a resumption of THE NEW AGE, whose passing had been regretted by a generation of grateful readers."—(*Annual Register* for 1932, edited by M. Epstein, M.A., Ph.D. Published by Longmans, Green and Co., Ltd.)

I think we have had enough of this nonsense, and the time has come to put a stop to it. The best way of doing so is to set forth the facts as clearly as possible.

So far as the Social Credit movement is concerned, the history of THE NEW AGE shows itself in three main phases:—

1. Under the editorship of Mr. Orage.
2. Under the editorship of Major Moore.
3. Under the editorship of Mr. Brenton.

Major Moore took over the editorship of THE NEW AGE as a 16 pp. journal in December, 1922, and ran it until the following June. During those six months the paper was at its lowest ebb in every way. Intellectually, it ran to seed, and the seed was barren. It had neither policy nor style. It had nothing, was nothing, meant nothing—except printer's ink imprinted on paper.

Arthur Brenton inherited THE NEW AGE as a 12 pp. paper, with a circulation that had been reduced by one-third during that six months' interim of incompetency. The wonder is that the paper did not die on his hands. Instead of which, it not only maintained an extraordinarily steady circulation figure year after year, but became—and is to-day—the foremost Social Credit journal.

Year by year he weaned it away from the infantile of littérateurs, occult-dabblers, and culture—"fans" of these "brilliant" but psychically frustrated theurgists, who wriggle and squirm as they might (and they did)—and still maintained his circulation.

Time and again during these years one heard the sighing lament of some pseudo-intellectual: "THE NEW AGE isn't what it used to be . . ." (oh! for the brave days when we were all so young and so intellectual!) The same old psychic blight—Lament for Adonis: the days when we were all agog to put the world to rights by means of a much-too-careless rapture generated in the ceaseless chatter of some literary clique—

"Ah, them were t' days!" as the old washerwoman said, "them were t' days. . . ."

And so the futile whimper of an intelligentsia bewailing its lost youth in a paddle-pool of remembrance—"THE NEW AGE isn't what it used to be . . ."

Ten years have made no difference? (Ah, yes, they have!) THE NEW AGE isn't what it used to be. Ten years of steep social-economic decline—and they want to recapture their lost "rapture": still they want to play mental yo-yo on the lawn by the pond: still they want to write and read clever, witty, sophisticated articles, reviews, pastiche. They cannot understand that

"it is but a child of air
That lingers in the garden there."

In the midst of a revolutionary epoch they want everything to be as it was during the years of lull before the first world war; or, at any rate, as it was in that strange post-war lull before the gathering storm that has yet to break. This attitude of mind and feeling is perfectly understandable, but it is idiotic and politically dangerous to the proper development of Social Credit action.

"Never go back on the past" is sound advice for everyone, at all times, everywhere. Let us put it plainly: the days of the literary (and artistic) coteries are over. If they linger anywhere to-day they linger as anachronisms. The notion that they can preserve the cultural inheritance of the past in a time of upheaval—little Noah's arks where culture can hide until the dark clouds roll away—is merely silly.

THE NEW AGE, during the past ten years, has moved out of the stagnant backwaters of the "cults." It has moved nearer to the actual physical needs of the people—the working masses and the unemployed. It has done this without in any way diluting Social Credit teaching. On the contrary, instead of making a ridiculous mish-mash by trying to mix Social Credit with scraps of a pre-Social Credit (and therefore frustrated) culture—a "culture" as culturally poverty-stricken as the Age of Scarcity in which it has developed—the tendency has been to give more and more space to the technical exposition of Social Credit together with a week-by-week exposure and explanation of the present unworkable economic system. That is a correct policy. It is in tune with reality. *Bread first—Culture afterwards.*

In ten years the whole situation has changed. Today, whoever attempts to sugar the bitter pill of Social Credit truth in any way whatever in order to tempt people to swallow it, proves that he does not understand the politics of Social Credit. Why is that? Because the working masses, the unemployed, the common people, are ready to "swallow" it as it is—and to fight for it.

Social Credit was "born" into an intellectual atmosphere that had, and still has, a profound contempt for (and fear of) the "unthinking mass." That being so, it was only with great difficulty that this esoteric teaching with its magical A + B formula, its "time-lag" mystery, its Just Price precept, could even begin to be carried out of the *sanctum sanctorum* of the cenacle into the streets, factories and workshops. The idea when I first came into contact with Social Credit was that it was something the masses could never understand (which is true of the mathematical exposition), that it was purely a matter for technicians and students, and that, although the application of it would benefit everyone, no mass support was either necessary or desirable. Practically the whole of that view was, and is, the outcome of an incorrect interpretation of political possibilities. *It will be found that without mass support, exerting mass pressure, Social Credit cannot be introduced.*

Now it is just that assertion (which is based upon a logic-tight sequence of reasoning) that produces a psycho-physical fear-tremor in certain types.

It is the literary culture-cliques that have passed away, and there will be no "resumption" (no revival, no resurrection) until after Social Credit has been put into force. At present it is "out of force," or only beginning to gather its forces. No doubt the passing of the literary culture-cliques is regretted by a generation now ten years—twenty or thirty years, in fact—out of tune and out of time. They have time-lagged. They open a copy of THE NEW AGE and find little or nothing of the cultural atmosphere in which they have been conditioned. Surely it cannot be they and their world that have passed into the past? No, no—it is THE NEW AGE whose passing they regret. . . .

its circulation has fallen away
it has shrunk in size
yes . . . it must be ten years since we breathed
our last gasp—I mean, since THE NEW AGE issued its
(last number)
oh! the brave days . . . young and intellectual

rapture—recapture
all agog
THE NEW AGE? Not what it used to be . . .
dead . . . gone . . .
must be ten years since THE NEW AGE—
What is all this? It is guff.

What produces it? It is a very usual form of wish-fulfilment.

Why should anyone wish THE NEW AGE to be "dead"—and buried? Because it arouses a pang of emotion: it is a reminder that, no matter how "young" you may be, nor how "intellectual," nor how "agog," you cannot "put the world to rights" (nor even this little country of ours) with careless raptures—you must organise in such a way as to bring pressure to bear, and *take control.*

If not, nothing—except regrets from "a generation of grateful readers."

As for THE NEW AGE: it is "dead" (from the point-of-view of the culture—"fan"). It is "dead—but it won't lie down!"

The Green Shirts.

NOTES FROM THE GENERAL SECRETARY.

The first meeting of the Lancashire and Yorkshire Green Shirt Assembly has been called for July 2, at the Rochdale H.Q., 127, Oldham-road, Rochdale, Lancs., at 11 a.m.

Our report from Birmingham says: "Green Shirt activity in Birmingham has commenced in earnest. On Sunday, May 14, a Green Shirt addressed a crowd of about 400 people in the Bull Ring (the Marble Arch of this city!). . . . We have now obtained a portable platform painted dark green with bold white lettering: 'The Green Shirt Movement for Social Credit.' It is easy to carry and set up, and was made for the Movement by unemployed men of the Occupational Centre, who declined payment. On May 21 another meeting was held by local Green Shirts, assisted by members of the Erdlington S.C. Study Group, in the Rookery Park, Erdlington."

We understand that a second meeting was held in the Bull Ring on May 29, and "it is hoped to hold at least two meetings a week after Whitsun."

The following is reported from one of the Birmingham meetings:—

Voice from crowd: "Green Shirts! Black Shirts! How many more b— shirts?"

Reply (from the crowd): "If you don't buck up we'll soon have no shirts at all!"

London Green Shirt Street-Patrols were out on June 12, during the opening of the World Economic Conference, in the vicinity of the Geological Museum. They attracted much attention, and their literature-sellers (men specially detached from the main body) did very good work.

Regular Street-Patrol work to be carried out by small bodies of Green Shirts during the daytime on weekdays is now being developed.

The Senior Section Leader for Manchester and district spoke to the Preston S.C. Study Group on May 27, and on May 28, accompanied by a Green Shirt from Cheshire, visited Leeds. Here they met the Section Leader for Leeds and his Green Shirts and supporters. Our report says: "A meeting was held in Cross Flatts Park in the morning. Weather doubtful, and at first the crowd numbered only about twenty, but swelled gradually to, I should say, well over 300. A Labour meeting some little way away never had more than twenty or thirty people listening. . . . Many interested enquiries and several new recruits. We have other names and addresses as a result of a meeting held in Leeds the previous evening. In the afternoon we held another meeting in a different park. When we arrived we found a Boys' Brigade 'rally' with a crowd of several hundreds, and a Labour meeting also in progress. Some doubts as to whether we could collect a crowd. However, the Section Leader from Leeds got up and started speaking the course of the meeting. The crowd increased during the course of the meeting to 300 or 400. A good many enquiries and questions. Went on to Keighley in the evening. Met the Keighley Green Shirts at their H.Q., and marched in formation to Town Hall Square, where a meeting was held. After two G.S. had spoken, the crowd had increased to round about 400."

We hear that the G.S. Movement is likely to spread to Warrington before long.

A notice in the Common Room at National Headquarters reads as follows:—

1. The Green Shirt Movement represents the collective fight for individual freedom.
 2. Individual freedom depends upon economic security.
 3. Economic security depends upon Social Credit.
 4. Social Credit is like a master-key lying on the ground.
 5. No one individual has the power to pick it up and use it.
 6. Hence the need for mass-power in the form of collective action intelligently directed.
 7. This power is showing itself as the Green Shirt Movement—the vanguard in the collective fight for individual freedom.
 8. Social Credit without that power is a technician's dream. A perfectly logical dream—but a dream nevertheless.
- Make that dream come true
Join the Green Shirts!

A letter from Victoria, Australia:—

"The reports of the wonderful progress your organisation is making in spreading the Douglas Credit Proposals have impelled me to write to you. Obviously the Green Shirt idea would appeal to the emotions of British people, especially the youth of the country, more than lectures and formal meetings. I am sure it would take on out here. . . . The idea appeals to me strongly, and I know numbers of other young chaps like myself who are similarly inclined. . . . It should not be hard to find a few to start street meetings, and once it caught on it would not be difficult. However, that depends on ourselves; at this juncture I would like to know what sanctions would be necessary from you to start the Movement out here, what uniform is required, and the necessary regulations, form of badge, etc. . . ."

Another letter from Australia says:—

"As a Douglas enthusiast I am keenly interested in any activity for bringing this movement to the fore; mere study and talk is not sufficient. Why cannot we adopt the same Green Shirt and Badge out here—all over Australia—as in Britain? Douglas followers espouse the same cause the world over. Why not have one uniform? . . ."

From New Zealand we have two letters. The first says:—
"Douglas is gaining ground every day in this Dominion. Our driving force is by way of circulars and lectures; but the Green Shirts would no doubt hurry things along. I shall be pleased to receive information concerning your organisation . . ."

In the second letter we read:—

" . . . There is here a group of young men, intelligent, earnest, determined, most of them unemployed. They are very interested in *Front Line*, particularly in the Green Shirt Movement. These young men are not in the deadening commercial atmosphere and they have not lost vim. I want you to send six Green Shirt uniforms. I enclose cheque for same. There is a talking group here, but they spend more time in deprecating Labour men, Socialists, Communists, and in expounding A+B than they do in realities."

We might perhaps take this opportunity of saying that we look upon the A+B Theorem as a correct analysis of economic reality, and therefore in itself a reality and not an abstract concept apart from reality. In our opinion, however, it has been "expounded" long enough. The state of affairs revealed by the A+B Theorem is now so serious that the time for argument and discussion is past. You cannot go on arguing why you will drown if you don't swim while you are drowning. You must swim—or drown.

At a meeting some few weeks ago:—

Questioner: "What is this Social Credit?"

Green Shirt: "Enough money in the pockets of the people to buy the goods offered for sale."

Q.: "How would you work it?"

G.S.: "We should issue the National Dividend and regulate prices."

Q.: "How could you regulate prices?"

G.S.: "In the same way that we now regulate Weights and Measures—that is, by law."

Q.: "How are you going to get the power to do these things?"

G.S.: "By creating Disciplined Mass Pressure and bringing it to bear outside the parliamentary system, so that public opinion can force the issue."

Q.: "Does that mean using force?"

G.S.: "Not unless you've got it to use—in which case you needn't use it."

Q.: "Right, I'm satisfied! It's the first time I've ever had my questions answered clearly. Good luck to the Green Shirts! If I can help, I will."

H. T. W.

Music.

Ethel Bartlett and Rae Robertson, Wigmore Hall, June 10.

At this time of day little remains to be said concerning the work of these remarkable artists, for theirs is no mere ensemble playing: to all intents and purposes it is the playing of a single mind—and a singularly musical one—and one need hardly say that such an effect can only be produced as a result of a fundamental psychological at-one-ment.

If this concord extends to their domestic life, as presumably it must (I suppose it is well known that the two are husband and wife), we then receive proof of an emphatic exception to the ancient axiom, "Two of a trade—" etc.

I must say quite frankly that to me the most interesting item was not the *pièce de résistance*, the Brahms Sonata in F minor (Op. 34b), better known as the Piano Quintet (its final form), much of which I found extremely tedious and repetitive, but Cyril Scott's most admirable arrangement of a Bach Invention (No. 8 in F from the Two-Part Inventions), a Sarabande (from the Second English Suite in A minor), and the well-known Gigue from the Fifth French Suite in G.

Mr. Scott has added an introduction and numerous harmonic touches of his own distinctive idiom, the result being a trifle anachronistic but none the less attractive; on the whole, these well-worn pieces took on an added lustre in their new guise. The programme included William Walton's highly diverting "Valse" from "Façade" (arranged for two pianos by Herbert Murrill with very considerable ingenuity and resource), which in this form is as effective as in the original, more than which cannot be said. Arnold Bax's "Poisoned Fountain," a darkly hued and quite beautiful piece of work, seemed more pianistic than his writing for pianoforte solo, but, as usual, a great deal of it seemed to call for orchestral colours.

Whether the arrangement of the familiar "Si Oiseau j'étais" was by Henselt himself I do not know; it was charming enough in its way, but this is the sort of thing one longs to hear Godowskyfied. It remains to be added that all the above were played with a crystal clarity of articulation, warmth, and a buoyant sense of rhythm.

Maria Ivogün and Alexandra Trianti, Wigmore Hall, June 12.

Here was collaboration of another order, two acute musical intelligences with voices that blended successfully, though naturally, without achieving that quite phenomenal unanimity mentioned above. Some duets of Cherubini and Brahms were most movingly sung, while Mmes. Ivogün and Trianti displayed their respective abilities in a group of Schubert and Brahms.

The voices are not of great power, but of an essentially musical quality, and both singers possess the all too rare ability to realise mood content, and hence to vary the method of approach with each song.

Ray Lev, Wigmore Hall, June 14.

This young American pianist has a style which, at present, is more notable for vigour than for subtlety.

Her virtues, moreover, appear to be more masculine than feminine, for she attacks large scale works such as the Bach-Busoni C major Toccata and Beethoven Sonata in E major, Op. 109, with a quite extraordinary exuberance and assurance, and also thinks in large sweeps (qualities that are not shared by the average female instrumentalist—vide Mr. Sorabji in his recently published "Around Music").

The Toccata, a most exacting work, incidentally, was borne to a triumphant conclusion, as was also the

Sonata, though one felt in the latter work that a number of details were sacrificed for the sake of the whole, a fault definitely on the right side. The programme also included the inevitable Schumann "Etudes Symphoniques" (when is this much-mauled work going to be given a holiday?), which were played with spirit and sympathy, and some short pieces by Matthey, Medtner, and Dohnányi.

Matthey's capacity as a composer has been completely overshadowed by his fame as a teacher, which is a pity, for his music contains most attractive lyrical qualities and, it goes without saying, is excellently written for the instrument, which cannot be said of a great deal of modern pianoforte music.

The Dohnányi "Caprice" is entirely music of the virtuoso order, but is engaging when played with the requisite degree of bravura, and Miss Lev left one in no doubt on that point.

One's final impression is that this pianist, if she proceeds along the right lines, will develop into a first-class artist.

CLINTON GRAY-FISK.

The Films.

Letting in the Sunshine: Regal.

I saw only the last twenty minutes of this typically British talkie, which was exactly nineteen minutes too long. My only further comment is that I would cheerfully subscribe to a fund for the assassination of the entire cast.

Facing the Music.

By way of contrast, this English picture is really amusing, although the humour is not to everyone's taste. It is fast moving, well photographed, directed and edited, and has continuity, a feature that rarely characterises the productions of our studios. It is neither musical comedy nor farce nor fantasy, but successfully combines all those three ingredients, which are sauced with a dash of ballet. Incidentally, the production proves that a film of the kind is more likely to be successful when based on an original scenario than on a musical comedy. It is to be regretted that a better choice was not made of the two principal players; Stanley Lupino is quite good, but his is not a sympathetic screen personality, and the role called for Gene Gerrard, while Nancy Burne is a lay figure who should never have been allowed to sing.

The date and place of the public showing of this picture, which seems bound to be a box-office success, have not been fixed at the time of writing.

Rasputin, the Mad Monk: Empire.

Other producers have been unable to resist the temptation to show Rasputin as a species of Slav Casanova. But he was something more than a lecherous peasant, and the Metro-Goldwyn-Mayer studios are to be congratulated on emphasising the ambitious careerist and gratulated on emphasising the ambitious careerist and great, picture; it reconstructs the history of a period that is less than twenty years from our own day, but might have been two hundred years ago; an era of Courts and royal etiquette, of dynasties as dead as the Pharaohs. Lionel Barrymore is admirable in the name part, as is John Barrymore as his slayer, but Ethel Barrymore (this picture is by way of being a family party for the Royal Family of Broadway) is completely wooden; her Czarina might have been an impersonation of Sybil Thorndike on one of Miss Thorndike's off days. Diana Wynyard is excellent in a small role that could well have been made larger. The dialogue is good, as are the direction and editing, but the picture has two major blemishes: it has been built up too deliberately to carry conviction, and is completely lacking in Russian atmosphere, for which the almost exclusive employment of typical Americans in the minor roles is largely responsible. But so far as the central theme is concerned, the film is a success, and can be commended as good entertainment.

DAVID OCKHAM.

The Douglas Cure for Economic Ills.

By Gorham Munson.

[Mr. Munson, a well-known American literary critic, is now the American representative of *The New English Weekly*.]

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I.

There is living in London to-day a gentleman who departs as widely as possible from the revolutionary type and who is yet regarded as profoundly revolutionary by thousands of followers in the British Isles and in the Dominions. A cousin of Lord Weir and a graduate of Cambridge, he looks like a British squire, stocky, ruddy of complexion, well groomed, and his temperament is Tory, as one might expect. There is not a trace of the fanatic about him. He has written books in a style marked by great condensation and understatement. He has worked hard at his profession, engineering; he has made inventions whose royalties now give him a comfortable life; he has a military title gained as assistant director of the Royal Aircraft Works during the World War. He enjoys fishing and yachting. He is a patriot.

Yet to this man, Major C. H. Douglas, the following tribute has been recently paid by a weekly devoted to spreading his ideas: "Adam Smith was the first great political economist. Since his day there have been only two others, Karl Marx and Major Douglas. All the rest have been and are 'economists' without political sense or vision. Adam Smith for capitalism; Karl Marx for communism; Major Douglas for economic democracy."

Major Douglas began his career in India in the early part of the century. He was considered a brilliant engineer and was in charge of the Westinghouse interests. By profession he was trained to grapple with physical difficulties, but he soon found that in any undertaking assigned to him there were financial anomalies to contend with which were far more effective in impeding his work than the physical realities he faced. The Controller General of India was a friend and at dinner used often to dwell on financial anomalies, invariably concluding his remarks with the statement that gold and silver have very little to do with the industrial situation while credit had everything to do with it. Major Douglas has since confessed that at the time "credit" was a word without meaning to him, but all the same the Controller General gave his mind a focus that it has never lost.

Just before the outbreak of the War, Major Douglas returned to England to do some railroad building. The war was a series of revelations to him, culminating in the great revelation, according to his followers, of the mathematical defect in national loan accountancy which results, along with other better known causes such as saving, in a chronic insufficiency of purchasing power. This defect he has sought to express in what is known as the "A plus B theorem," which, it is claimed, has never been refuted. It can be claimed, too, that it has never been accepted, and is still, as it was when first propounded, a matter for sharp controversy.

To explain this theorem Major Douglas represents as A the flow of purchasing power to individuals (wages, salaries, and dividends), and points out that all A payments go into price. But there is another class of payments represented by B, which are made not to individuals but to organisations (bank charges, taxes, raw materials, overheads of one description or another), and these also enter as costs into price. Hence the rate of flow of price cannot be less than A plus B. Obviously, A cannot purchase A plus B, and a proportion of the product at least equivalent to B must be distributed by a form of purchasing power not comprised in A. That form of purchasing power consists of money in the banks to finance capital production. It is created by the banks to finance capital production, in order regarded as borrowed from the banks, and therefore, in order that it may be repaid, it is charged into the price of consumers' goods.

The practical outcome is that the population of the world cannot purchase the goods already in existence without engaging in the further production of goods that are not and may never be required. The people's current income must meet in retail prices the accumulation of costs, both current and past, and the point to be emphasised is that money issued as a bank loan to industry has usually been recovered by the bank and destroyed before the goods have come on the market; this destroyed money is a cost carried on from

a previous stage of production. It is about this time-factor or time-lag of goods behind credit-issue and credit-recall that most of the disputation over the A plus B theorem occurs. The Douglas argument, in the words of D. W. Burbidge, is that "in effect the prematurely destroyed credit or money must be recreated by the banking system and issued on behalf of consumers at the rate at which the B or overhead charges of industry are reckoned into prices of consumable goods."

The other things Major Douglas especially noted during the war were the flexibility of the financial system when for once the prime insistence was on the prompt delivery of goods, the facility with which industry, thanks to science, met the demands made upon it even with the best part of the productive population drafted into military service, and, finally, the rising standard of living for the whole community while the fighting was going on. When "peace broke out," as some wit has said, Major Douglas was astonished to hear from all sorts of official voices that England was a poor nation. Accustomed as an engineer to look at physical things, it seemed to him that on the contrary the capital appreciation of England had been immense and she was anything but a poor nation. So Major Douglas began to write in 1918 articles for *The English Review* attacking what he considered to be the fallacy of super-production and arguing that the real wealth of England was still great.

Basing his proposals on "consumer-credit," he urged that a direct attack be made on the problem of consumption. The Labour reformers were all treating production as the prime problem and thought the economic solution lay in changing the administration of production or, as it is more common to say, in socialising the means of production. But to Major Douglas production by private enterprise was a success. Whatever the sins of capitalism might be, inability to produce a glut of goods and services was not one. Industry, however, as the A plus B theorem demonstrated, could not distribute sufficient purchasing power to the community to enable it to claim industry's total output. By mathematical law money must be in short supply. There is only one way out, Major Douglas concluded, and that is to issue credit to the consumer in the form of a scientifically determined discount on retail price when a sale is effected. In short, by a reform in the distributive (money) system he proposed nothing less than the continuous selling of goods below their apparent financial cost but at their true cost—and provided a method whereby the seller could be re-imposed for the amount he was out of pocket. This was to be done by debiting the National Credit Account.

Inasmuch as Major Douglas's contention is that our entire financial system is upside down in an age of technology, dominating industry instead of being its handmaid, practically all his proposals are simply for turning existing financial axioms and devices right side up—"consumer credit," for example, instead of "producer credit."

After writing his articles in *The English Review*, Major Douglas began to explain his ideas in *The New Age*, a London weekly, edited by A. R. Orage. This magnetic figure in English intellectual life had been affected by the currents of social reform in England during the '90's, and for a time was a member of the Fabian Society. When, however, in 1907 he took over *The New Age* he soon made it the organ for the National Guilds movement. He and A. J. Penty had formulated independently the leading ideas of guild socialism, and for the next twelve years these ideas were pushed so hard by them and their adherents that G. D. H. Cole once referred to the period 1910-14 as the "Orage period" in British economics.

After about a year of consideration Mr. Orage announced himself, to the consternation of Guild Socialists, as unhorsed by Major Douglas and thereupon joined forces with him.

From 1919 to 1922 Major Douglas and Mr. Orage made determined efforts to get the Social Credit scheme considered and adopted. The depressed post-war situation in England was favourable to them; they early gained some brilliant adherents, among them Will Dyson, famous for his savage political cartoons; they saw behind the scenes a great many people of importance and sought to win them. Two books by Major Douglas appeared: *Economic Democracy* (1920), which was also published in America, and *Credit-Power and Democracy* (1921), which contained a draft scheme for the mining industry and a long commentary on it by Mr. Orage. But these efforts were in the main doomed to failure. The first chapter of the Social Credit movement ended with the adverse report of the British Labour Party and the departure in 1922 of Mr. Orage to Fontainebleau to study advanced psychology.

The impetus for the British Labour party's investigation of Social Credit came from certain elements in the Scottish

Labour groups, which in 1920 became interested in Major Douglas's draft scheme for the mining industry. In January, 1921, the Scottish Labour Advisory Committee advised the central executive committee of the Miners' Federation to investigate this scheme. "We are convinced," the committee said, "that bank credits are one of the main constituents—if not indeed the main constituent—of selling prices; and that no final solution of the problem is possible that does not bring the issue of credit and the fixing of selling prices under the community's control." The central executive committee of the Miners' Federation referred the whole matter to the Central Labour party executive, and this body appointed a committee to look into what they termed the "Douglas-New Age Credit Scheme." The committee, consisting of Sidney Webb, R. J. Davies, M.P., Frank Hodges, F. B. Varley, G. D. H. Cole, Hugh Dalton, J. A. Hobson, C. M. Lloyd, Sir Leo Chiozza Money, R. H. Tawney and Arthur Greenwood (secretary), met on May 24, 1921, and invited Major Douglas and Mr. Orage to appear before it.

The authors of the scheme, however, objected to the personnel of the committee. They contended that only Mr. Hodges had any direct knowledge of coal mining or any experience either of the concrete problems of business management or of the operations of practical finance, and that the majority of the committee was already committed to the support of economic dogmas expressly challenged by Social Credit. They then proceeded to suggest the kind of committee before which they would be glad to appear, but their suggestion was rejected. Without hearing Major Douglas and Mr. Orage, the committee prepared a report and issued it sixteen months later, condemning the Social Credit scheme. The report declared that the statement that the rate of flow of purchasing power into the hands of consumers is not and never can be adequate to purchase the goods available to them was fallacious.

(To be continued.)

Reviews.

Shareholders' Money. By Horace B. Samuel, M.A. (Sir Isaac Pitman and Sons, Ltd. 15s.)

In his quiet way, behind the scenes, Mr. Horace Samuel has done much to make the bucket-shop keeper feel uncomfortable. This more ambitious enterprise ought to make his fellow lawyers feel uncomfortable, especially when they read the excellent draft Bill which he has added as an appendix. For there is no denying the fact that this draft Bill does what no legislator or lawyer has done hitherto, namely, safeguards the public from the tricks and evasions of the law whereby simple people—and people who are not as simple as all that—are induced to part with their money, not to our Jacob Factors, but to the highly respectable and self-satisfied financial operators who hope to tell St. Peter, when asking for admission at the Gates of Paradise, that at least they have never broken the Eleventh Commandment. Mr. Samuel's text consists in millions, the millions which went west, from the pockets of hopeful investors into unplumbed pools of promotion, administration, and winding-up expenses, between the boom of 1928 and the subsequent crash of two or three years later.

The author argues that *caveat emptor* is not good enough; and that although you cannot prevent a fool from parting with his money, if he is set upon doing so, you can at least prevent smug rogues and rascals from tempting him to make a bigger fool of himself than Nature intended by their suppressions and evasions of plain facts.

Mr. Samuel's indictment of the City for its cynicism, its laxity to the standards of which it boasts so freely, and the pleasant acquiescence which it extends to activities of men who should be drummed out of Throgmorton Street with unmusical dishonour, cannot be answered. Neither have the lawyers, whose business it should be to prevent frauds, not obstruct such penalties as the present law provides, any more effective reply to him.

But the book serves one more important purpose, and that is to show how under the present system the public, which should have the right of creating and benefiting by the sum of national credit, is milked and starved into

ruin by delusive hopes of profit from ventures in which even our present dictators of credit, the mighty banks, do not scruple to participate, taking profit with a condescending paw which refuses to accept the relevant responsibility. The book is thoroughly well reasoned, clear, and practical, and much to be recommended.

The Monkey God. By Gordon Casserly. **Death Comes at Night.** By Kenneth Ingram. (Both published by Philip Allan at 7s. 6d.)

The first of these two novels is excellent value for the money. It is well written, with a colourful and even thrilling background of present-day India, painted by a man who knows his subject. The attitude of the author on the Indian situation would doubtless commend itself to most of the apoplectic colonels who bombard the *Mourning Boast* on the subject. On the other hand, there are exploiters in loin-cloths as well as in white drill. In saying thanks for a book so much better than it well might have been, one hopes to be acquitted of any attempt at patronage.

Its companion, a decently-composed, dignified thriller, suffers from vagueness in original conception and conclusion. But the author has permitted us to see, in at least two of the minor characters, that he is worthy of a broader canvas. Next time he must make his puppets dance a more ambitious ballet for our delectation.

Human Nature. By Edith Wharton. (Appleton. 7s. 6d.)

Here is a book of slow, meditative, long short stories, planned and perfected with the distinction one expects from one of the most conscientious and cultivated craftsmen of English fiction to-day. Mrs. Wharton does verge upon the shores of dullness now and then, but she never loses respect for her medium otherwise. She never writes a line without thought and care, and seldom writes one without effect. The magazine world is all the better for her presence.

Trades Unionism 100 Years Ago. By an Anti-Trade Unionist. (Express Co-operative Printing Co., Ltd., Manchester.)

Here is a reprint, issued by our most militant trade union, with a foreword by the divine Citrine himself, showing what a typical writer-to-the-*Times* thought of the new workers' combinations in the 1830's. If it was meant to inspire the reader with loathing for the reactionaries of the day, it has missed fire. For although one is asked to disbelieve its essence and argument, enough material emerges to make it clear that the unlikelihood and narrow-mindedness, the self-seeking and lack of foresight, which infests trade unionism to-day North, at all events, the unions had sufficient power to make things so uncomfortable for the masters that they had enemies, most of all in the delightful profession of the law. But half the time they seem to have to-day would learn one or two of the lessons here made plain, one might be more hopeful of progress. But when did Transport House ever learn anything, save perhaps in May, 1926?

Bank Robberies.

The Scotswood-road branch of Lloyds Bank in Newcastle on June 3 marked a new development in the guerilla warfare conducted by the classes outlawed by the financial system. There appears to have been a sustained, pitched battle between the classes outlawed by the financial system, and meat-porters who rushed in at the alarm on the other side. The armaments were revolvers (apparently not fired), gags, and pieces of cord for the attack, and bags of coin (used as missiles) by the defence. Three of the attacking force were captured (one wounded) and two of the defending force sustained wounds, viz., Mr. J. Ainsley and Mr. P. Harrison—both officials of the bank. The new feature in this skirmish was the determination of the raiders to press their attack in spite of the initial check. It was almost as if their motive was to assert their right to command currency, and to test the legality of their attempt!

LETTER TO THE EDITOR.

THE GREENSHIRT MOVEMENT.

Sir,—In your report of the proceedings of the National Assembly of the Greenshirt Movement, I noted particularly the following resolution which was carried, there being one dissentient:—

"That, as far as the Greenshirt Movement is concerned, any Monetary or Credit Reform Association, Movement, or Society that does not officially and publicly proclaim Douglas Social Credit as its objective shall be regarded and treated as though it were a Bankers' camouflage movement, designed to confuse the public mind and fog the issue." (My italic.)

I wonder whether the following policy I am advocating through "The Age of Plenty," and under the auspices of the Unifist Labour League comes under the ban:—

(1) That all new money and new financial credit must be created and issued by the Community for the benefit of all the members of the Community, and not, as now, by private financial concerns for the benefit of private individuals.

(2) That the prices of all goods and services must be controlled and regulated by the Community for the benefit of the Community, and not, as now, by price rings for the benefit of private individuals.

(3) That the purchasing-power of the masses must be increased by the institution of National Retiring Pensions for all, and by the institution of Family Allowances for the welfare of children.

(4) That the hours of labour must be reduced and the school-leaving age raised, each sufficiently to permit of the reabsorption of the unemployed into industry, etc.

(5) That every industry must be nationally co-ordinated and controlled by appointed representatives of employers and employed in order to ensure methodical production necessary to regularise employment.

(6) That a Supreme Economic Council, representative of all spheres of the nation's economic life, must be instituted by the State, charged with the duty of controlling the economic life in the interest of the Community.

H. E. B. LUDLAM,
Editor, *The Age of Plenty* and
Organiser, Unifist Labour League.

Events of the Week.

(Compiled by M. A. Phillips.)

- Saturday, June 3.**
Harrison of Federal Reserve sails for Europe.
Chamberlain hints at restoration of gold standard at new parity.
- Sunday, June 4.**
Green Shirt National Assembly held at Winchbottom, High Wycombe.
- Monday, June 5.**
Sprague urges Great Britain to default on War debt.
- Tuesday, June 6.**
Four power pact still unsigned.
£ = \$4.02.
- Wednesday, June 7.**
Pope breaks with Spain following Spanish Government's expropriation of all Church properties.
"Daily Herald" banned in Germany.
New Cunard wage cuts.
Unemployment 2,583,000 (—115,000 in a month).
Indian duties against Japan.
Attempt to assassinate M. Venizelos.
£ = \$4.06.
"Hang Morgan" cry from New York: unemployed.
- Thursday, June 8.**
S. African "bill to tax gold mine" before legislature.
Disarmament question to be raised at World Economic Conference.
Four power pact initialled in Rome.
- Friday, June 9.**
German Government orders Moratorium on all external loans amounting to £1,000,000,000.
T.U.C. announces its financial and economic policy; proves to be identical with those of the "experts" at the World Economic Conference!!

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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 accountability, 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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