

THE NEW AGE

INCORPORATING "CREDIT POWER."

A WEEKLY REVIEW OF POLITICS, LITERATURE AND ART

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CONTENTS.

	PAGE		PAGE
NOTES OF THE WEEK	97	THE FILMS. By David Ockham	103
The wireless debate between Major Douglas and Professor Denis Robertson. The Keynes Plan as released for debate in South Africa. The Exchange Equalisation Fund—What is it?—the <i>Daily Herald's</i> explanation. West Ham and the Means Test. The first railway cruise— <i>The Times</i> on the experiment. World Economic Conference—MacDonald on the condition of its success.		<i>Doss House.</i>	
THE MUSIC LIBRARY. By Kaikhosru Sorabji	102	THE DOUGLAS CURE FOR ECONOMIC ILLS.—II. By Gorham Munson	104
<i>This Modern Stuff.</i> (Abraham.)		Reprint of article published in <i>Current History</i> (New York).	
THE GREEN SHIRTS. By H. T. W.	102	THE PASSING OF CUANDINE. By John Hargrave	105
THEATRE NOTES. By V. S.	103	<i>Asses in Clover</i> (Eimar O'Duffy).	
<i>Cupid and the Don. Veronica.</i>		" TO THE MEMBERS OF THE ECONOMIC CONFERENCE "	106
		Reprint of leaflet published by the " Chandos " group.	
		CORRESPONDENCE	107
		H. T. Webb (Green Shirt Movement), Frederick Rathbone, T. B.	

NOTES OF THE WEEK.

The Broadcast Debate.

The chief importance about the Debate on Social Credit broadcast on the London Regional on June 21 is the fact that a debate on Social Credit has been broadcast at all. Douglas's theory and scheme, which have been in the air for so long, have now been put over on the air. At least, the public have had the opportunity of hearing what is the broad nature of Douglas's diagnosis and what are the broad implications of his remedy. Those who listened now know that there is a Douglas Theorem and Scheme, that the author is alive (or was on June 21), and can be communicated with, and that in any case there are books available in which he has explained his theories. Thus has ended the "boycott" phase in the rise of the Social Credit Movement—to be followed, let us hope, by the quashing of the sentence of death hanging over THE NEW AGE.

We were glad to notice how well Major Douglas's remarks came through, both as regards articulation and at public meetings and in private conversations to judge what concept of his personality has been formed by wireless-listeners hearing him for the first time; but we think it safe to say that something of the sureness and serenity which characterise him so conspicuously must have been communicated to those who were listening in attentively. Professor Denis Robertson afforded a contrast in style which was most appropriate to the fundamental conflict of principles underlying the debate. He spoke with a light, cultured voice and, to our mind, the effect was much like a musical performance consisting of a bass theme accompanied by a tenor obbligato. There was nothing of that heavy discordant clash of themes such as are to be heard, for example, in the "Transformation" scene in *Parsifal* where Wagner hurls his percussion and wind instruments into battle with each other like armoured knights in medieval times, conveying the impression as of a relentless struggle on a profound issue. The reason was that Professor Robertson used different weapons from those of Major Douglas, and for a purpose differ-

ent from that of Major Douglas. For whereas Major Douglas stated his case in the low tones of practical conviction Professor Robertson stated his in the light tones of academic incredulity. Had they both been speaking simultaneously the effect would have been parallel to that of the statement of a central musical theme, and its restatements in other keys, proceeding through a series of variations on it. The listener might miss the notes, and lose the rhythm, of the theme here and there when the variations enveloped it over-thickly, but at the end would come away with the theme in his ears, and remember it long after he had forgotten its accompaniment.

The reason is, of course, that whereas on Douglas's side there was the deliberate purposive object of securing support for his remedy, there was no such motive power behind Professor Robertson's reasoning. He was not fighting his own battle, and he spoke as one to whom it was of no personal pleasure or profit to prove Douglas wrong. Again, in a debate on this subject professors of economics as a whole body are tremendously handicapped by their training. For the whole edifice of their knowledge is erected on a foundation of financial principles which, having been laid down as axioms, were never investigated. That is to say, no professor of economics was ever taught on what facts and reasoning (or encouraged to seek them) the principles in question were founded. So it comes about that when at last the question of their soundness is thrown open to argument the economist's special knowledge is worthless, and he has to start at scratch with the layman in pursuit of the true answer. It is the same with administrative financial specialists: The manager of a bank, for instance, starts level with the manageress of a tea-shop—his experience has no more relevance or utility than hers, even if so much. The issue is one which may be correctly described as sub-economic and sub-financial. To change the image, it lies outside the visible range of colours in the spectrum of past research and experience.

Both financial and economic experts, when called upon at short notice to come out of the dim light of the settled traditions and convictions presiding over their specialised daily functions, are at a disadvantage. They blink in the bright light; and it is only by taking time to accustom themselves to the new conditions that they are able to distinguish forms and judge perspectives

with the same ease as, let us say, a dustman or a washer-woman. This is no disparagement of their natural intelligence; they would probably see more than others given an equally extended opportunity with others; but their daily work keeps them in the twilight.

For this reason the Money Monopoly treats them unfairly by inviting them to undertake the defence of existing financial policy. They have never been taught why it is sound; and therefore they are without resort to any means of countering a reasoned challenge but the negative one of expressing incredulity in a more or less plausible fashion. Unfortunately their status as specialists leads to the infection of the mass of the public with doubts.

Listeners will remember that Major Douglas kept his remarks free from narrow technical issues, while Professor Robertson devoted a substantial part of his to their discussion. We think Professor Robertson's policy was wrong from his own point of view, because nobody who had not studied the Social Credit analysis could have seen what he was driving at, and even those who could see would not have derived definite enlightenment in such a short space of time as the debate allowed. Major Douglas, on the other hand, made good use of his time, for he posed the issue broadly and intelligibly, and presented its various aspects in such a way as to relate them to the collateral evidences of contemporary experience. He emphasised three things: The fact and import of the private control of money; the nature of the money-controllers' policy; and the objective phenomena accompanying their pursuit of it. "Do the things which you all see happening to-day fit in with my theory about the cause?" That, in effect, was the dominant note of his address as we interpreted it. And if his listeners henceforth remember no more than that question, Major Douglas's work will have been worth while.

We noticed that Professor Robertson made use of what has come to be a stereotyped expression in criticisms of Social Credit, namely, that "production is continuous," the suggestion being that Douglas has overlooked this "continuity." Not only has Douglas not overlooked it but his reasoning is based on it. But the idea of continuity is capable of being construed in more than one way. Some ways are misleading, and can even be so used as to insinuate as an assumption the proposition which the critic proposes to prove.

Neither Douglas nor any of his critics can possibly overlook the fact of "continuity" when the word is used to refer to the existence of parallel chains of production along which raw materials are converted stage by stage into finished products, and to the fact that while products are being bought at the end of the process others are moving forward to replace them. We analysed all this sort of thing recently in an article entitled "The 'A' Theorem" (THE NEW AGE, March 25, 1933). The word "continuity" is used in connection with the argument that at any given time the total price of consumable goods is recoverable not only from the people who have drawn incomes for the last stage of their completion, but also from people simultaneously drawing incomes for earlier stages of other production. But critics who point this out leave it an open question whether this happens because production is continuous, or whether production is continuous because this happens.

Instead of using the word "continuous," it would be better to argue round the word "simultaneous," pointing out that production for future consumption is proceeding at the same time as production for immediate consumption. This would relate the idea of simultaneity to industrial organisation and activity, leaving the idea of continuity to be related to what is, in fact, the source and the condition of continuity, namely financial policy. It lies in the will of the money monopoly whether there shall be continuity or not, and even whether there shall be any production at all. Money makes the mare go—and if you hear people constantly repeating the statement that the mare's progression is

continuous you are likely to get the confused notion that the going of the mare makes the money which makes her go—namely, that the initiative in economic activity lies outside the banking community, who simply take care of the financial wealth created by private enterprise and dispense it according to the will of the private owners of that wealth—a pair of thwacking lies on which the Money Monopolists base their pretensions. This explains what we meant just now when we said of the doctors of "continuity" that they were in effect assuming the truth of their own proposition in the process of answering Douglas's counter-proposition.

So, if we must have a label at all, let it be "simultaneity," in which case Douglas, his critics, and the public will find themselves on a common ground of agreement, namely, that at any given time when customers appear in the consumption market with incomes to spend which represent the goods on sale there, other customers simultaneously appear whose incomes do not represent those goods or any fraction of them, but who compete with the first group to buy them.

It is upon this fact that the bankers rely when they assert that monetary expansion causes inflation of prices. That is so because the disbursement of the new money does not immediately increase the quantity of goods in the consumption market, but does immediately increase the quantity of money brought there to buy those goods. Both groups of customers have to buy simultaneously and instantly what they want, and this compulsion causes the collective price of the goods to rise to equivalence with the collective income they bring there to spend.

The issue between Major Douglas and his critics lies in the fact that the latter hold there to be no effective way of checking this rise against the consumer, or of compensating him for it afterwards, and that neither course is necessary—that somehow or other some principle of automatic compensation will work itself out in the system. Presumably it's continuity as does it!

Professor Robertson's banter about Douglas being a "dreamer" was, as he himself remarked, "taken in good part" by Douglas. And there is good reason why; for he has been a most successful dreamer. In 1919 he was warned in a dream that the millions and millions of money which all classes of the public possessed in their own right were going to be taken away from them. Simultaneously the bankers, who never sleep, were exhorting this same public to prepare to make more money still out of the impending world-boom: they saw, with their eyes wide open, myriads of buyers just over the horizon approaching with orders for goods to replace the waste and destruction caused by the war. "Hang on to what you've made at all costs" was Douglas's warning. "Invest all you've made in factories and plant at all costs" was the bankers' advice. Yes; and what happened? Not a soul or an order came into sight, and the bamboozled captains of industry were left staring into the void from the watchtowers of their idle factories, shivering in the threadbare remnants of their once-so-warm banking-accounts, for all the world like those old ladies one reads about sometimes who have stripped themselves of their possessions and gone up a mountain in their nightgowns to welcome the Second Advent.

Take another warning which Major Douglas dreamed at the time of the Washington Conference. "If financial policy continues to be enforced on its present principles, then prepare for another world-war." Such, in effect, was his prophecy. "Nonsense," was the import of what the wakeful financiers said: "War is now unthinkable."

The two major assurances which the bankers gave to the world if they were left to manage things—namely Financial Prosperity and Economic Security—have been answered by a situation of Financial Poverty and Economic Insecurity. To those neutral observers who, as the majority will, acquit the bankers of the liberate mendacity, this direct falsification of their prophecies must seem to connote misjudgment on fund-

mentals. The character of the world's affliction is the same in every part of it, notwithstanding the multitudinous disparities between races, tongues, currencies, habits, beliefs, industrial and social organisations, political and fiscal systems, religious and philosophical beliefs, extents of territory, characters of natural resources, densities of populations, and so on. That physically self-sufficient continent, the United States of America, is in as bad a way as a physically dependent area like the United Kingdom. Does this not constitute the strongest presumption that the cause of the trouble is single and fundamental, and that it lurks in a place hitherto universally unsuspected? If that be granted, Douglas's "dream" must be regarded as antecedently credible in spite of the incredulity, or rather, because of the incredulity, which it first evokes among those accustomed to the theory and practice of solving superficial problems in superficial ways. It is not enough to-day for critics to plead their inability to accept Douglas's diagnosis as a sufficient reason for dismissing his remedy. They must propound an alternative diagnosis possessing the same fundamental character and universal implications as his. Let them find one, even if they should have to go to sleep to think of it.

The Keynes Plan.

We have received from a correspondent in South Africa a copy of the printed agenda submitted to a public meeting representing the Cape Town Chamber of Commerce, Cape Chamber of Industries, Cape League of Nations Union, and the Cape Town Business Club, on May 26 last. The agenda consisted of the formulation of "The Keynes Plan" and a description of the benefits which might be expected of it. The meeting was called to discuss the Plan. This is it.

The Keynes Plan is briefly but substantially that an international agreement be arrived at whereby notes are issued under the control of the Bank of International Settlements (or some specially constituted body). These notes, in terms of the Agreement, would be regarded in all respects as having the equivalent value of gold, and would be shared between the countries according to an agreed basis—for example, in proportion to the gold reserves held by each country at some date when conditions were more normal. Each Government would pass the necessary legislation providing that these gold notes would be acceptable as the equivalent of gold.

The notes would be returnable:

(a) By any particular Government desiring at any time to return those issued to it.

(b) If the International Bank decided in its discretion that it was desirable to withdraw them, but this power could only be exercised in the event of prices of primary products rising above a certain level.

The benefits include:—
Relief from taxation.
Revival of trade.
Expansion of social services.

A passage is added which commences as follows:

"The effect of thus injecting increased currency in this manner at the consumers' end of the problem, in contradiction to ordinary methods of inflation, would increase currency at the producers' end . . ." (Our italics.)

The effects are, briefly,
"Resuscitation" of the markets of the world.
Rise in standard of living.
Increase in volume of cash transactions compared with credit transactions, thus "quickening the velocity of commerce."

Eliminate the need for "large external markets" — "one of the principal causes of war." (Our italics.)
The author of the document explains the last item in the list by pointing out that the new currency would enable

countries "temporarily" off gold to return nevertheless to a common standard of value with the rest of the world.

This all chimes in with Mr. Keynes's well-known observation that credit-expansion could proceed indefinitely so long as the central banks of the world kept in step. Evidently the Bank for International Settlements is to keep them in step. It will be seen from the phrases that we have italicised that here is a bankers' ramp put forward as a fulfilment of the Social-Credit objective by an improvement on the Social-Credit technique! We are all to have consumer credit, which will raise our standard of living, internalise the present national drive for markets overseas, and thus abate the risk of war. All that Douglas proposes, in fact, provided that Finance disposes!

As our readers know, we are not opposed in principle to letting banks administer financial policy, but we are opposed to their being arbiters of the policy to be administered. We know, in this case, that the policy is worthless because of the means by which they propose to carry it out. Douglas has, as it were, guided the people to an unsuspected stream of water and said: "You're thirsty: here's water: and here's a pail." Good. Thirst—pail—water. They get the idea. Along comes the banker and says: "Here! I'll help you: I'm accustomed to this job. I know how thirsty you are; and I am only too anxious to serve you." The majority of the public say: "He's got experience; and he speaks fair; so let him take charge." So he does. He takes the pail, and says: "Now while I am getting ready you all concentrate your minds on the evil of Thirst, and the goodness of Water." They do. And while they're concentrating on these ideas he perforates the bottom of the bucket. The consequence is that for all the water they'll get they might just as well use a butterfly-net.

"Ah!" say a lot of credit-reformers to-day: "do let us get together: there are so many points of agreement: we realise we're thirsty—that is a great advance—and we know that water's the thing—so we are all going in the same direction—let us keep open minds on our differences—don't let us be too narrow about such trivialities as receptacles and such things: let us have good will, and all the rest follows." Well, there's a world of difference between a will and a swill—and the bankers know it.

There is a moral here especially for Douglas supporters. Just at this time when the Press is opening its columns to Thirst Prophets and Water Prophets, and in some instances itself selling Thirst and Water in its leading articles, it behoves those who understand the purpose of a watertight Bucket to sell the Bucket and nothing but the Bucket. Any Water-drawing scheme which does not provide for the use of a bucket, and, even so, does not give guarantees that the bucket has a sound bottom, is a swindle, no matter whether the people who sell the scheme know it or not. Controversies are being got up on three questions, all of them irrelevant to the crucial issue: namely

1. What is the right basis of credit?
2. What is the right quantity of credit?
3. Who shall control credit?

These can be restated as follows:—

1. What shall the bucket be made of?
2. What size shall we make it?
3. Who shall draw up the water?

The bulk of credit-reformers occupy themselves with these questions, and are disposed to organise themselves on the basis of a common agreement on answers to these three points. But so, too, are the bankers and the Press. *The Times*, which has been tentatively suggesting a gold bucket, has more recently published an anonymous article advocating a bucket made of a gold-silver alloy. (See its issue of June 12, p. 13, article: "Sound Money." . . . "A Challenge from a Bimetallist.") The author, by the way, ingeniously tries to make out that the opposition to Bimetallism at the time of Bryan in the United States was not based on oppo-

sition to the theory as such, but on dislike of the character or methods of its propounder, Bryan himself! This is at variance with Colonel House's statement in his reminiscences to the effect that when he (and, we think, Mr. Baruch too) was considering whether to back Wilson for the Presidency, he waited to make sure that Wilson had freed himself from the taint of Bimetallist "heresy." Since at that time Bryan had been out of the game for years, it is clear that the opposition to Bimetallism had survived his disappearance. Bryan's political methods, whatever they had been, were the excuse, not the reason, for resisting his proposal.

Now, independent credit-reformers could largely unite in opposition to the assumption of banking credit-reformers that the basis of currency must necessarily be a precious metal at all. And on that negative platform they could rope in people like Dr. Eisler with his idea of linking the worker's "basket-of-food" with monetary expansion. And by the time all the roping in had been done on each of the above three points of agreement, with the view to "examining all plans" the area of unity would doubtless be immense, and the remark of the late Lord Balfour could be applied in a modified form to the situation: "We are all Social Creditors now."

On point 3 the opposition to bankers' control is valueless if it simply means opposition to their deciding the basis and volume of credit. On those two matters they have wiser heads than any who might replace them, and, unpleasant as are the effects of their policy, they might be more unpleasant still when handled by their successors. The fight for control must be a fight for the power to embody the principles of Price-Regulation and Price-Assistance in the finance of economic activities. Any system run without this is like a bucket without a bottom.

The logic of the Keynes Plan is complete. Assume no Price-Regulation within any country, then every country must export values on balance to remain solvent. Consequently it must resist imports. To promote exports and restrict imports it must produce cheaply. To produce cheaply it must cut wage-, salary-, and dividend-rates, and in addition periodically confiscate privately-invested savings (through bankruptcies of the less successful among its internally-competing home-enterprises). Its Government has to measure out this collective impoverishment of the community so as to get the cheapest costs of production without endangering the authority of the law. The ideal is to keep the community just on the safe side of violent resistance. So much for what may be called the natural factors in competition for exports. It is clear that not all nations can be successful by the employment of these natural devices. The Governments in the unsuccessful can resort to artificial devices. By erecting tariffs they can restrict imports; and by manipulating exchange-rates they can do the same and promote exports at the same time. A Government which does these things causes other Governments to follow suit. Since there is no technical limit to the height of a tariff-rate or of an exchange-rate, a Government need only be guided by political considerations. The chief of these are risks of revolt within and of war without. For these reasons alone it is evident that an external central authority must eventually take charge of these artificial devices and co-ordinate their use—for otherwise the tariff- and exchange-wars must get out of control and increase in intensity to the point where swords are drawn and bombs let loose.

The B.I.S., as such a central authority, would assume the control of tariff and exchange policy, vesting its administration in non-Governmental bodies like the May Committee in this country, who in all probability are already in control of such policy so far as this country is concerned. The International Bankers realise that unless or until national populations can be shuffled and dispatched anywhere across the world to those points where production can take place most efficiently, there must necessarily be inequalities between

their natural competitive efficiencies even if they all lived at the mere survival level. Since the logical penalty of comparative natural inefficiency would mean the cessation of production and the extinction of the population in the inefficient area, some measure of artificial compensation seems to be desirable. The B.I.S., with its proposed powers, would be able, so to speak, to grant outdoor relief to laggard countries. In doing so it would of course provide that the artificial relief would just make the population's natural earnings up to the equivalence of mere physical survival.

In pursuance of this policy the necessary formal renunciation by every Government of control over its own tariffs and exchanges would be bought by the offer of the "injection of new currency," with its promise of relief to the impoverished subjects thereof.

The Exchange Equalisation Fund.

Mr. Francis Williams discusses the Exchange Equalisation Fund in the *Daily Herald* of June 22. He says that it had been assumed that the Fund was being financed by the issue of Treasury Bills to the Government departments. Mr. Hore-Belisha, on June 21, had, however, denied in the House that this had happened. The Treasury Bills recently created and issued in connection with the advance of £200,000,000 to the Exchange Account were, he said, issued by the Exchequer to that account, remarking that "the transaction was merely in the nature of a book-keeping transaction." Mr. Williams wants to know what is really happening. If the money is not being borrowed from public departments, including the Post Office; and is not being raised in taxes, "it must be simply created." Mr. Hore-Belisha's description of the *modus operandi* of the Fund is summarised as follows:—

1. The Exchequer issues Treasury Bills to the Fund. (This is a creation of securities.)
2. The Fund acquires gold in the open market in exchange for these Bills.
3. The Fund lodges the gold at the Bank of England.
4. The Bank of England creates currency to the equivalent value, and lends it to the Fund.
5. The Fund expends this currency in its foreign exchange operations.

The Treasury Bills are nominally redeemable in three months. If they are redeemed it must be in currency. If not redeemed they must be renewed. But if renewable at any juncture they are renewable perpetually.

The above five steps, if the information is accurate, are worth bearing in mind, though not for the reasons which Mr. Francis Williams gives. His moral is that the Government is permitting Mr. Norman to inflate the currency for the purpose of an "exchange gamble" while refusing to adopt "monetary expansion to finance slum clearance and public works schemes." Here he misses the mark both as to the significance of the transactions and as to the facts about slum-clearance. He cannot surely be so innocent as to suppose that the sycophants and careerists who compose and support the Government are crabbing a scheme sponsored by the King, the Prince of Wales, the Archbishop of Canterbury and *The Times*—all of which connote the backing of the Treasury and of the Bank of England, who alone are able to place an all-star cast of this calibre on the stage of publicity at one and the same time. As a matter of fact the Government have been permitting Mr. Norman to inflate (or, if you like, pretending not to know he is doing so) for slum-clearance as well as exchange-equalisation. There has been no necessity for the Treasury to make grants directly to municipalities and housing enterprises, because adequate finance is on offer by Building Societies up to any sum, provided the borrowers follow the policy of the Bank of England in respect of the nature and location of the houses they pull down or put up. For the last twelve months at least the Building Societies have been providing loans on builders, some of them going so

recently, as to send travellers out touting for orders for loans! Another proof that these societies are bursting with loanable money is that they have practically prohibited people from investing in their enterprises, chiefly (so we are told) by offering next to no interest on money offered them, and (so it is rumoured) cutting down rates on money already invested. In a word, they have no use for the private investor—or, at any rate, not unless he is prepared to lend his money at a lower rate than that asked for the bulk sums put at their disposal upstairs. They cannot be expected to waste money on subdividing and distributing the reward of abstinence among thousands of little dividend-drawers, when by making one entry in their books and drawing one cheque they can allocate and pay the whole reward of abstinence to Mr. Montagu Norman, of whom it may justly be said that though there be no abstinence found in him he is the cause that abstinence is found in other men.

MacDonald on the Conference.

Addressing a meeting of journalists last Friday Mr. Ramsay MacDonald delivered himself of the following piece of wisdom:

"If the Conference is going to be a success it will be won by each delegation sympathetically putting itself in the position of other delegates."

Of course it depends on what you call a success. For instance, suppose every delegation were to make a collection among themselves for the relief of other delegations. Would that be a success? Yes, for the Press, who would make a story about it. Also for financiers, who would like to know what resources each delegation could spare. Further, the altruistic principle laid down by Mr. MacDonald clearly implies that each delegation should receive less than it gives up; for any delegation receiving as much, or more, could not be "putting itself in the place" of others. Very well. Then when the several collections had been pooled and redistributed to the donors on this principle there would necessarily be a balance remaining. Would that constitute a success? Well, if anybody got control of the balance who wanted to get that control, it would be a success for him. And if everyone concerned accepted his claim: *La Conference, c'est moi!* then undoubtedly the Conference would have been a success.

"Once upon a time there were sixty little delegations," the Dormouse began, in a great hurry; "and their names were—"

"What did they live on?" said Alice, who always took a great interest in eating and drinking.

"They lived on giving up their dinners," said the Dormouse, after thinking a minute or two.

"They couldn't have done that, you know," Alice gently remarked; "they'd have been ill."

"So they were," said the Dormouse; "very ill."

There is, however, one way in which the delegations can put themselves in each other's places to their own advantage, and that is by realising that each and all are being bled of prosperity by the banking monopoly. And when they see how it is done, they will realise also that the only way to make the Conference succeed is to bring about its failure. Prosperity begins at home; and while they are out of the home the burglars are in it.

Touring By Train.

The Times of June 24 contains an article contributed by "Our Special Correspondent" extolling the doings of the railway cruiser, the Northern Belle. This gentleman, whose anonymity permits us to speculate on whether he is a trustee for the Debenture holders in the London and North Eastern Railway, is bursting with praise for the enterprise of the company, the efficiency of the staff, the perfection of organisation, and so on,

which made this experiment the success which it undoubtedly was. He points out, however, that the cruise was "run in no small measure for its publicity value"—a hint that it was run at less than its true economic cost. There will be only one more cruise this year, in spite of the enthusiastic testimonial voluntarily given by the passengers on the first cruise, and the reason is that the rolling stock is required for the regular summer traffic. Economy again! If next year there are to be summer cruises in the summer new rolling-stock will have to be provided, and in due course the cruises must pay their way without subsidies from the Company's advertising appropriation. That rather dims the prospect of passengers getting such service for their money as those who took part in the initial cruise.

The value of the account in *The Times*, which makes most interesting reading, is that it brings out vividly the vast potentialities of technical service which the Company's engineers, craftsmen and servants generally are able to actualise when financial restraints on their ingenuity and skill are momentarily eased; and it affords the student of Social Credit a glimpse of what Major Douglas's Proposals will make continuously possible when adopted.

Readers will do well to listen for the wrong moral to be drawn. The writer of the article points out that this experiment is a first-rate answer to the charge that railway administrators lack enterprise. That is a preparatory step towards the argument that, given the spirit of enterprise, it will express itself under the severest financial limitations, and even that without such limitations there would be no enterprise—in brief, that banking policy is the seed of economic progress. Stuff and nonsense. We have already shown that this successful experiment was not financed in strict conformity with the bankers' established principles of sound costing. And as for enterprise, we do not know what it is yet, and we shall not until the engineer and the organiser are freed from the handicap of having to work within arbitrary limits of cost and thus can reach out to the limits of technical efficiency. We have often heard our friends say: "When Social Credit comes in we'll go for a trip round the world." We amend this and say: "We'll hire a train and cruise our country."

West Ham and the Means Test.

The Times of June 21, in a leading article entitled "Disloyalty to Democracy," puts West Ham in the dock apropos of the Means Test. West Ham, the writer says, has "set the law aside," and has attempted a "defiance of Parliament's authority." When local authorities do things like this they risk bringing "democratic government into disrepute." Quite so. But when discussing risks it is as well to take them in order of their magnitude; and we should like to know what risk exceeds in magnitude the fact that Lord Hewart has made clear, that Parliament constantly passes legislation which it does not understand. The democratic principle must necessarily be limited in practice, but certainly not so far as to permit Parliament to make laws in its sleep. Yet we find the writer of the article saying that Parliament is a "stout bulwark" against dictatorship. How can an "absent-minded" Parliament (as Lord Hewart calls it) be other than an instrument of dictatorship?

Then as to penalties. The writer remarks that West Ham has not gone so far yet as to have its administration taken out of its hands by the Ministry of Labour, as has happened in the cases of other Councils. But then, West Ham, he complains, does not seem to mind the prospect, because it knows that in any case the unemployed who seek relief will "not be allowed to suffer neglect." That is one way of putting it; but we prefer to put it another way, namely, that West Ham's sentiment is: "Let those who insist on dirty work being done do it themselves." It must be remembered, also, that local Means Test Committees have no legal power to resign. So when the instructions which they are told

to carry out affront their consciences, or expose them to odium among their neighbours, their only remedy is to disobey orders, and to the degree necessary to compel the Ministry of Labour to dismiss them.

The moral of this is that the policy of the banker can only be administered by an agent with the soul of a banker. The common humanity of local Committees constitutes the fuse-wire of the governmental system, and it will blow out before it will pass the heavy current of oppression turned on from Threadneedle Street.

The Music Library.

I find some difficulty in expressing an opinion upon what many people will doubtless consider a very helpful little book entitled "This Modern Stuff,"* by Mr. Gerald Abraham, which is an introductory, and in some sort a guide philosopher and friend to the plain man astray in the gloomy wood, as the Cary-ised Dante has it, of "modern" music. My opinion of anything savouring of "musical appreciation" is well known to my readers, holding, as I do, the rooted conviction that the only conceivable way in which to get to know or "understand," as the cant phrase has it—which I confess is utterly without meaning for me—is to listen, to listen and again listen. No one nor nothing is going to help any one to listen nor endow them with the faculty for doing so assuming that they lack it. The expression, "modern music," too, is one that gets more and more without any precise meaning every day, assuming that it ever had any, which is more than doubtful, and Mr. Abraham is much too fond of it. That a contemporary composer will be liable to use the vocabulary of the time in which he finds himself, in the same way that he will use the speech thereof, in verbal expression should be patently obvious; and that quite an inordinate insistence is put upon the manner as distinct from the matter of the music, is the essence of my quarrel with the expression, as of attempts to make the thing itself acceptable. And I am emphatically not disposed to grant Mr. Abraham's contention that in the new music "rhythm and metre infinitely more subtle than we find them in the older music" hold the day, very much the contrary, in fact; the alleged rhythmic "innovations" are found, upon investigation, to be the merest paltering about with metrical divisions, that any piece of plain-chant will utterly efface, for variety, flexibility and real diversity. This is the sort of nonsense that the jazz-mongers have inflicted upon a stupid public *ad nauseam*, and that the public—being as publics always are, hopelessly ignorant—believes. It is all the more the pity to see Mr. Abraham giving colour to the untenable supposition in a book that has an ostensibly serious purpose. As for attempts arbitrarily to classify those composers who, in Mr. Abraham's (and others) jargon "express the modern spirit" . . . these, it seems to me, are a mere *hombinatio in vacuo*, more especially when they lead Mr. Abraham to the grotesque assertion that what above all things distinguishes the alleged "modern" spirit is "the tendency to think wholly in terms of sound," as if musicians at all times and in every epoch have not, at one time or another, thought "wholly in terms of sound." This sort of thing is rather too typical of the looseness and shoddiness of the thinking that Mr. Abraham brings to bear upon the matter.

A preface by Sir Dan Godfrey completes the irrelevance, for it bears no discoverable relation at all to what follows in the body of the book, but merely appears to have been written to inform a more or less respectful, more or less admiring world what a lot of modern British music this gentleman has conducted at Bournemouth during the last thirty-four years, and to express the fears as to what broadcasting is going to do to the Bournemouth orchestral concerts. Musicians are not conspicuous for their ability to adhere to a point, and the more "eminent" either as critics or practitioners thereof, the less their ability to do so . . . but Sir Dan certainly deserves an outside in cucumbers grown in the "Cucumber House" wherein he and his orchestra used to function before being transferred to that apotheosis of the public lavatory, the present Bournemouth Pavilion!

KAIKHOSRU SORABJI.

* "This Modern Stuff." By Gerald Abraham. Dennis Archer. 2s. 6d.

The Green Shirts.

NOTES FROM THE GENERAL SECRETARY.

We hear that a group of Coventry Green Shirts (Cyclist Section) returning from National Assembly to Coventry, about seventy miles, chalked the road with the slogans, "Green Shirts out for Social Credit," and "We Want Douglas Social Credit," every five to eight miles. This they did with some lumps of chalk that they found by the roadside during a halt.

We look upon this as important propaganda work, and urge all G.S. Cyclist Sections to organise road-chalking systematically on the Great North Road, Watling Street, Bath Road, and all other main roads. This road-propaganda could be carried out at night or in the early hours of the morning when there is less traffic about.

The 1st Blackburn Section has been enrolled and the nucleus of the 2nd Section formed.

A green banner, bearing the following wording in large white letters, is now being constructed:—

"THE GREEN SHIRT MOVEMENT
FOR
SOCIAL CREDIT."

This will be used by the detachments of the London Area Command.

We wish to impress upon all ranks throughout the country the vital importance of developing to the highest point of efficiency the Green Shirt Unarmed Military Formation and Method. Any G.S. Section that, knowingly or unknowingly, falls into a go-as-you-please, liberal-democratic formlessness, showing little or no difference in formation and activities between itself and that of debating-cum-rambling-club groupings, is a weakness and a danger to the Movement. Every G.S. Section must develop its drill and marching technique. The winning factors in the fight for A Sane Economic System are:—

1. Social Credit: the key to economic victory.
2. Numbers } the key to political victory.
3. Discipline }

There is a perfectly natural tendency for new recruits to bring with them into the Movement the outlook, ideas and psychological reactions of a civilian population that has been cheated and defeated by that outlook, those ideas, and those reactions. They are the outlook, ideas, and reactions of a democracy fallen under the spell of Financial Hocus-Pocus. They have "conditioned" the population in such a way as to allow the Banking Combine to impose its policy without let or hindrance. This Conditioning Process—"put over" by the Press, Cinema, Radio, and educational system—has sapped and undermined the qualities essential to the breaking of the spell. It puts forward:—

1. Number-worship ("Sound Finance").
2. Ego-flattery ("Individualism").
3. Formlessness ("Individual Freedom").

It will be understood why it is that recruits still suffering from any of these three psychic maladies have to be re-conditioned and "made over" as carefully and as quickly as possible by an exactly opposite process. That opposite process for re-conditioning is to be found in: Social Credit—Organisation—Discipline; and the working mechanism of it is to be found in the double-technique of the Green Shirt Movement.

Mr. Hargrave addressed a meeting in the small lecture room at the Conway Hall on June 21.

A report from S.W. London says: "Five bob a job is offered in this district for every Green Shirt who joins the Fascists!" Several other reports indicate the same

sort of thing. If it is true, it seems an expensive method of proselytising—and one that is hardly likely to produce reliable "bundles-of-fight"! We have not heard of a Green Shirt "purchased" so far, either in the open market or by private negotiation. Every Green Shirt is, so to speak, "offered for sale" to anyone who can overcome the sale-resistance of the "commodity."

POLITICALS	Closing Bids.
Green Shirts (Social Credit)	5s.
United (sic) Fascists (Mosley)	—
Imperial Fascist League (anti-Mosley)	—
British Fascisti (still lingering?)	—
Red Shirts (I.L.P. "I Look Pretty")	—

Green Shirts on spot closed steady and unaltered. Sales for export nil. Prices very sensitive to demand, and sellers inclined to wait until values show a further upward movement.

The London (Composite) Hundred is now up to full strength, and its cadres will begin to form units in various districts.

A group of London Taxi-Drivers, keenly interested in the G.S. Movement, sent a representative to National H.Q. a week or two ago. Asked how he first heard of the Green Shirts, he said: "One of your chaps in uniform shoved a leaflet into my hand as he was passing the taxi rank. People can't afford to take taxis because they're short of money—and that leaflet was discussed by a number of us. This is the sort of movement we've been looking for. . . . We've seen you marching in the streets on several occasions. We see everything that goes on, pretty well—we're always out on the streets . . . and I've come along to join up." He was enrolled there and then.

The tendency to try to "use" the G.S. Movement in support of Any Old Credit Reform activity still persists. We ask the promoters of such activities not to seek the co-operation of the G.S. Movement, as it is a waste of time and energy on both sides.

Further to this: individual Green Shirts are under orders and are not free, either (a) to represent the Movement without authority at any meeting, conference, or council, or (b) to take part in the work of, or co-operate with, any organisation or group that is ruled out by Resolution No. 2 ("No-Sitting-on-the-Fence") passed at National Assembly, 1933, and published in THE NEW AGE, June 15. H. T. W.

Theatre Notes.

"Cupid and the Don." By Jules Romains. Adapted by Frank Birch and Basil Bartlett. Westminster Theatre.

It is conceivable that some element of wit or humour or interest may characterise "M. le Trouhadec Saisi par la Débauche," from which this play has been adapted. But it must have been very little, unless the adaptation is a miracle of ineptitude. The play has nearly every fault it can possibly have. The plot—such as it is—is of a superb banality, and belongs to late-Victorian musical comedy, of which the whole production is so reminiscent that I kept on expecting a beauty chorus to declaim, "Girls, here comes the Squire." It is impossible to feel the slightest interest in any of the characters, all of whom are conventional lay figures, and, not content with making practically the whole of the dialogue dualogue, and resolving the duologue into a series of interminable monologues, the author contrives to have the stage occupied for the greater part by only two players. Here both the adapters and the producer have missed an obvious and easy opportunity of improving the original and using twentieth century methods of theatrical presentation.

The acting is stagey throughout, and all the characters are overproduced, with the exceptions of Barbara

Gott, who is producer-proof even in an English film, and Martin Walker, whose natural and apparently effortless performance is my one agreeable memory. Leonora Corbett's Rolande is lifeless; it would be absurd to criticise Miss Corbett for being no greater an actress than nature intended her to be, but when she is cast in a part that calls for a French accent, she might at least remember to keep it up. The Arctic temperature and the draughtiness of the Westminster Theatre did not add to my enjoyment.

"Veronica." By G. K. Munro. Embassy Theatre.

How closely should the dramatist hold the mirror up to nature? Precisely in accordance with his conception and intentions. There are characters and situations that are untrue to life, but make good theatre, and these are incidentally the stuff of farce. Mr. Munro's formula has been to assemble a collection of such purely theatrical marionettes, place them in situations appropriate to their nature—and infuse them with vitality. Theirs is not a real life, as witness Lady Gullhoppity—the name itself is an outrage on probability—who is middle-aged and has a married son, but is ignorant of the meaning of "co-respondent," and Raphael, who for his part imagines that divorce can be obtained for the asking and, literally, while you wait. But the author has succeeded in making these and his other dramatis personae real to the audience; granted his premises, the rest follows, which is another way of saying that Mr. Munro knows his craft.

"Veronica" is quite first-class entertainment. The second act is even better than the first, and in the third a delicate suggestion of reality is injected into pure farce. The curtain drops on a note of interrogation, quite in the contemporary fashion of the screen.

Madeleine Carroll is admirable in the title role. This actress, who has still to receive the intelligent praise due to her real merits, here uses the technique of the screen rather than the stage; hers is the finish of understatement. It is pleasing to be able to record that she has just come back to British films after a too long absence, and it is surprising that Hollywood, which has elevated less worthy Englishwomen to stardom, has not yet induced Miss Carroll to cross the Atlantic with a long-term contract in the feminine equivalent of her trousers pockets. She is brilliantly supported by Harold Scott as Raphael, Margaret Carter as Lady Gullhoppity, and the whole of the rest of the cast. Mr. Scott is another artist whose gift of comedy is peculiarly suited to the screen, and I commend him to the notice of such British producers—if any—as are genuinely looking out for new talent.

If "Veronica" is not transferred to the West End, and for a long run, regard me as a false prophet.

V. S.

The Films.

Doss House: Empire.

At last the British screen has discovered that the world contains real people, and that many of them are so poor that a half-crown spells temporary affluence. "Doss House"—written by C. Ayres (directed by John Baxter, running for only fifty-three minutes, and made at the new Sound City studios at Shepperton-on-Thames—is a landmark. We are taken into a typical London lodging house for down-and-outs, introduced to a variety of inmates ranging from a doctor and a drink-sodden musician who has played before Royalty, to a shoe-black and a cat's-meat man, and given glimpses into the causes of the downfall of some of the characters. Continuity is provided by the hunt for and capture of a desperate ex-convict, and the whole is sauced by Cockney humour that is genuine, and not of the bastard type as imagined by Elstree. Out of a large cast, Arnold Bell as a reporter and Herbert Franklyn as a detective deserve special mention.

I have called this film a landmark, by which I do not mean that it deserves to be called a great picture. It

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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 accountancy, resulting in the reduction of the community to a condition of perpetual scarcity, and bringing them face to face with the alternatives of widespread unemployment of men and machines, as at present, or of international complications arising from the struggle for foreign markets.

The Douglas Social Credit Proposals would remedy this defect by increasing the purchasing power in the hands of the community to an amount sufficient to provide effective demand for the whole product of industry. This, of course, cannot be done by the orthodox method of creating new money, prevalent during the war, which necessarily gives rise to the "vicious spiral" of increased currency, higher prices, higher wages, higher costs, still higher prices, and so on. The essentials of the scheme are the simultaneous creation of new money and the regulation of the price of consumers' goods at their real cost of production (as distinct from their apparent financial cost under the present system). The technique for effecting this is fully described in Major Douglas's books.

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