

# 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 . . . . .	205	GRAMOPHONE NOTES. By H. G. B. . . . .	210
The Fire-Raising Trial—"inflated" and "fraudulent" fire-claims—how the distinction fits in with the Social-Credit analysis—Mr. Leopold Harris's "disclosures" in the <i>Sunday Express</i> — <i>The Times</i> on the trial—Deflation laid the fires that Harris lit.		QUESTIONS AND ANSWERS. By the Credit Study Group . . . . .	210
A SOCIAL CREDIT SECRETARIAT. (Communication by Major C. H. Douglas) . . . . .	208	THE GREEN SHIRTS. By H. T. W. . . . .	212
EDUCATION AND ACTION. Editorial . . . . .	208	A GLOSS OF GREEN SHIRT IDEOLOGY. By R. J. Dixon . . . . .	212
THE FILMS. By David Ockham . . . . .	209	REVIEWS . . . . .	213
<i>The Crime of the Century. Accidents Wanted.</i>		<i>The Way Out</i> (Upton Sinclair) <i>Cinema Quarterly</i> .	
		CORRESPONDENCE . . . . .	214
		J. L. Roantree. W. J. Robins. Christopher Gay. P. T. Kenway.	

## NOTES OF THE WEEK.

### The Fire-Raising Trial.

The *Times* of August 21, reviewing the history of the hunt for the fire-raisers, makes it appear that whenever a private person or group collects a certain weight of evidence that someone has come within the reach of the criminal law, the Director of Public Prosecutions automatically takes up the case and carries it through at the public expense. But does he? Should he not rather be described as the *Selector* of Public Prosecutions? Are not his selections governed by what is called the "public interest"? And is not the interpretation of what constitutes the "public interest" reserved for the discretion of the banking classes? Lastly, is not their unwritten code of interpretation accurately comprised in the slogan: "An offence against us is an offence against the public"?

Press comments on the sentences all take the form of the statement: Society is well rid of the criminals. If, by "Society," they mean the "Society" of underwriters, the statement is manifestly correct. And if they mean also the "Society" of honest policyholders, the statement may be presumed to be correct. But if they embrace with these the "Society" of citizens who are neither insurers nor insured (in the "fire-raising" frame of reference) the statement needs substantiation. At least, the burden of the losses inflicted by the fire-raisers becomes more remote and more diffused as it spills over from the first to the second and third "Societies"—which means that the degree of advantage in getting rid of the criminals correspondingly diminishes. For example, it is pretty clear that no advantage at all accrues to that sub-section of the third "Society" which comprises drawers of the "dole" and recipients of "public assistance." So much for the material aspect of the case.

As regards the moral aspect "Society" can be divided into two classes: (a) people who impersonally condemn wrong actions because they are wrong, and who experience a moral satisfaction in watching them being prevented or punished; and (b) people who per-

sonally condemn such actions because they are unfair, and who experience a malicious satisfaction in watching the unfair players turned off the field. The "A" class applaud the punishment because it dissuades the "B" class from following the criminals' example; while the "B" class applaud it because the criminals have stolen a march on them.\*

The article in *The Times* above mentioned provides a compact account of the history of the fire-raisers' activities derived from the evidence given at the trial. In addition to this the *Sunday Express* publishes (August 27) the first instalment of a series of disclosures said to have been made privately by Leopold Harris before or during the trial. Readers need no reminding from us that this affair is packed with morals for Social-Credit propagandists to rub in; and we recommend those of them who wish to use it in that way to consult the articles here mentioned. Of course, disclosures purporting to have been made by a man now undergoing sentence, and exploited in the commercial Press, may be suspected as being exaggerated or at least "sensationalised," but many of those in the article mentioned are in close accord with antecedent probability, especially when examined against the background of the Social-Credit analysis.

For example, in Mr. Harris's account of how he gradually extended his activities outside the scope of legal assessing he makes the pregnant remark that there is no clear distinction between an "inflated" fire-claim and a "fraudulent" fire-claim. How beautifully that fits in the wide Social-Credit frame of moral reference where "flation" of any sort is "fraud"! Inflation robs the private creditor: deflation robs the private debtor: and reflation stabilises the impotence of both to recover the proceeds of the robbery, which have reverted to the credit-monopolists. It is true that the latter do not use the proceeds for their private personal advantage, and that therefore there is a difference in the moral significance of their action; but that does not alter the fact that

\* We once heard a woman—a "worshipper" at a mission chapel—warmly express opposition to the idea that a sinner, who had enjoyed himself all through life and repented on his death-bed, could go to Heaven "just the same as us who have borne the heat and burden of the day."

the public have been defrauded. Nor does the moral difference in this case amount to much, for Mr. Harris's embarkation on the sea of fraud was caused, he says, not by his desire to make money but by his desire to punish the insurance combine.

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This is quite credible as he puts it. While he was legitimately following his profession he found that the insurance companies made it their practice to haggle down the figure of any fire-claim irrespective of how it was arrived at by the claimant. If the claimant stuck to his figure, he was put to a lot of bother and delay, not to speak of the implied attack on his moral character involved in the insurance companies' attitude. For when an insurance company tries to reduce the figure of a claim it is either asking in so many words to be excused fulfilling some part of its contractual obligations, or else it is insinuating that the claimant is exaggerating his loss. In these circumstances it would be natural for the claimant to add to his claim some margin which he could afford to take off in the process of haggling. It is this device, when adopted for this purpose, which, one presumes, constitutes the inflationary, as distinct from the fraudulent, character of a claim.

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But Mr. Harris, besides naturally inclining to do this sort of thing, found that the assessors for the insurance companies welcomed inflated claims.

"The inflated claim would naturally be settled at a lower figure, and they would receive the kudos for having achieved a low settlement. Accordingly they gained from it as I did. We took that for granted."

That being so it was a short step for assessors for the insurance companies to accept from the customer some monetary token of the kudos which they earned from the boss—kudos which, one may suspect, was rewarded more in terms of moral approbation than financial recognition by the directors of those institutions. ("So you've cut down the claim 25 per cent. Mr. Snodgrass? Excellent! The Board congratulates you. Now, see whether you can go one better on the next claim so that the Board may congratulate you some more!")

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The general tenor of Mr. Harris's disclosures, as published, is calculated to give the impression that there are many times more people out of prison who ate of the fire-raising melon than there are people in prison for growing it. That is probably true. Indeed, there are hints in the Press that a crop of derivative legal proceedings (affecting income-tax returns) is sprouting out of the ruins of the Harris debacle. If so it confirms Mr. Harris's explanation of why it was that he and his confederates pursued their calling with a degree of confidence which, looking back on it, amounted to colossal impudence. His explanation is that there were so many people—people so influentially placed—in the game, that evidence sufficient to detect the crime and convict the perpetrators would be well-nigh impossible to collect; and that even so, influence would be brought to stop proceedings being taken in court. Apparently he miscalculated their loyalty and courage, for his present complaint is that directly warrants were issued, these unknowns, instead of helping him to fortify his defence, proceeded to construct their own alibis. Persons to whom he had paid bribes now chose to interpret them as loans, and sent him back the money. He further alleges that he had offers of large money to clear out of the country, but no offers to finance his defence when he chose to stay and face his trial. These statements are ex-parte, but they are antecedently credible. We find it impossible to believe that Mr. Harris got away with it so long, considering the closeness and prominence of his association with the series of fire-claims, if he had not been ringed round by many people in key positions—people able not only to assist the frauds but to suppress the evidence required to prove their commission.

The probable explanation of their letting down of Mr. Harris is that it was a case of pure panic. Most of them were sophisticated enough to know that the insurance interests command the most efficient Secret Service that money can buy. They must have been aware that a secret-service agent is empowered and equipped to do anything necessary to discover what his employers want discovered, whether his methods are, in themselves, strictly legal or not. Knowing that so long as they kept their own counsels detection by ordinary methods was practically impossible, they must have counted on the employment of extraordinary methods by the other side. One obviously effective method would be for the agent to get inside the fire-raising syndicate to assist in the fire-raising operations, and then to give the game away.

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There was a scandal which was reported in the Press some time ago where it had been disclosed that an assessor for a certain insurance company had been following the practice, in cases of robbery, of negotiating directly with the thieves to purchase back the stolen property. It cannot be proved that the directors of this company knew what was going on; but it can be taken for granted that the managers and other salaried high-officials of insurance companies generally would have reasons to think twice before reporting to their directors the fact of such things taking place if they found it out. If an assessor can get from a thief for £200 property which would otherwise cost his firm £2,000 to replace, it is clearly a delicate little problem whether his directors would thank him for telling them how their funds were being "protected." Secret agents in the service of the State understand that the State wants results without responsibility for the methods of getting them. If the agent bungles and is found out, he is disowned. The position of the assessor is somewhat similar. The results of his bargaining to reduce claims can be checked back; for there are occasions where property is insured for parts of its value in two or more companies, in which case the respective assessors would be placed in competition to show who could drive the best bargain. Such competition can be eliminated in practice if the assessors consult each other and collectively negotiate with the claimant. Nevertheless, the element of competition for "Kudos," as Mr. Harris says, is inherent in the situation, and tends to breed irregularities and illegalities. And the breeding is stimulated by the fact that negotiations take place in an atmosphere of suspicion created by the insurance interests whose over-riding, though unwritten, presumption is that every claimant is a twister.

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Now if these things happen on minor occasions when all that is involved is a matter of profit or loss to the insurer and insured, it is difficult to conceive any limit being put by the insurance companies on the activities of their secret agents in a case like this where the issues reach far above the region of financial administration, and into that of high-financial policy. The dimensions of Mr. Harris's operations were serious enough; but what we suggest was much more serious was the character of his declared motivation, which was his desire, not to make money but to punish the insurance companies. He maintains that he had all through made many times more money on his legal, than on his criminal, transactions—a statement which is credible in view of the claims on the proceeds of the latter payable elsewhere in bribes. It can of course be objected that when once he resorted to illegalities of this sort he was obliged to go on; and in fact he himself says so and gives reasons. But his declaration of motive remains supported by the fact that while he was yet rich, and had every prospect of becoming richer without risk, he gambled his position and his liberty on the illegal acts for which he has since been punished. It is therefore a most plausible hypothesis that he was actuated by considerations of a moral order, or, perhaps better, of a sporting order, as if he said to himself: "What fun to cheat these

rapacious insurance gangs in spite of their suspicions and their elaborate means of verifying them." There would be a sort of Robin-Hood element in the adventure of making soulless corporations relieve the necessities of human, if sinful, members of the community. This hypothesis is supported by Mr. Harris's statement that often and often, in his earlier legitimate transactions, claimants used to say to him: "It was a lucky fire for me, I can tell you: I was right up against it." And if the hypothesis is adopted it is more than sufficient to clear up the mystery which troubled Mr. Justice Humphreys so much, namely why it was that so many men with previous high character had lapsed into crime, and crime of such "appalling" a character. (Notice, by the way that the word "appalling" appears to have become the standardised adjective to be applied to major offences to City sentiments and interests, and that fourteen years appears to have become the standardised sentence for ringleaders.) It is, in our submission, the particular character of the crime which clears up the mystery; it exhibited to Mr. Harris's confederates an aspect with which they could reconcile their consciences. But there, we need not labour the argument; for everybody has long been familiar with the sentiment that it is a fair game to twist a railway company—a sentiment which judges have repeatedly imputed to the travelling public and reprobated. Mr. Harris's sin was not the twisting but the boasting. For all we know he might have got off with four years if he had not contracted, and infected others with a sense of justification. Some readers will recall that on one occasion in this journal (the date of which we cannot verify at the moment) we analysed at length a bankster homily, and showed that what the author was resting his case upon was just this distinction between an offence and the attitude of mind manifested by the offender. This was quite natural, for the technical reason that the more directly any offence obstructs high-financial policy and threatens high-financial prerogatives, the more stable the grounds on which a plea of justification can be logically constructed. The bankers' great preoccupation is to suppress the fact that such grounds exist, and to prevent the public from realising how convincingly offenders like Mr. Hatry, Lord Kysant and Mr. Harris can be shown to be the unwitting agents in the overturn of a scientifically unsound and morally vicious financial system and philosophy.

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If readers, with this in mind, will examine the leading article in *The Times* above cited, they will relish the writer's concern to emphasise the sordid aspect of the fire-raisers' activities. He is doing his best to invest the crime with precisely the opposite significance to that which we are here endeavouring to establish—a fact which, of course, reassures us that we are examining the problem the right way up, and from the right angle. We will quote one passage:

"The real menace disclosed and countered in the present case was the depredations of an organised gang intending for as long as possible, in good times and bad alike, to worm an easy living for itself out of the good faith and the losses of others."

Notice the phrase: "in good times." Seeing that there have been nothing but bad times since 1920, there is no evidence for imputing the "intention" mentioned. The "gang" has not been tested in good times; and we should say that even allowing the writer's imputation of motive, the "gang" was competent to have made an easy living by easier devices than organising fires. On the other hand, if the writer is basing his remarks on Mr. Harris's known antipathy to the insurance companies and desire to punish them, then he is entitled to his point about the "menace."

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We would wager that the puppet Press has drawn more prize-money for celebrating the sentences than the prisoners drew when qualifying for them. The popular newspapers were precluded from getting away

with the tale that the insurance companies were motivated by the public interest in initiating the proceedings, for both the counsel for the Crown and the Judge had stated that the companies stood to gain by the conviction of the conspirators. The main topic discussed was on the text: "Be sure your sin will find you out," and consisted in thrilling write-ups of the relentless patience and marvellous ingenuity of the detective and punitive agencies set on the track of the fire-raisers. The lesson intended to be learned is that in future anyone about to raise a fire had better follow *Mr. Punch's* advice about it! There are allusions also to the disastrous social consequences which would follow a breakdown in the insurance system—the disintegration of the public trust on which the insurance trust is founded, etc., etc. Also, of course, are the inevitable references to the risk to life involved in fire-raising; but these had to be toned down, since the technique of the Harris Syndicate was efficient enough to obviate fatalities. As a matter of fact it was to their interest to make sure that no person was on the premises, if only for the reason that he might give the alarm and stop the fire before evidences of premeditation had been destroyed; and also for the reason that if he died the event would attract public attention and bring into operation the inquisitorial machinery of the Coroner's Court in addition to that of the insurance companies. The recent suggestion in the Press that Fire Inquests should be held by Coroners whether life is lost or not lends point to this consideration.

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According to the Press Mr. Harris lost the money he made by fire-raising in Stock-Exchange speculation. Normally the non-professional operator loses by buying stock which subsequently slumps. It is not outside probability that the stocks bought by Mr. Harris were being discarded by the insurance companies, who, of course, get the earliest tip about price-movements, and are able to change their investments accordingly. If that was so it will comfort moralists to know that poetic justice was done as between the insurance "gang" and the fire-raising "gang"—that the licensed gangster got his own back on the unlicensed one. At the same time there are healthy moral standards under which it would appear that the licensed "gang" had no right to get anything back, for according to *The Times* they got busy in advance. Listen to this:

"No insurance company hopes to be free of the attentions of the fraudulent at all times, and the statistical relationship between a decrease of trade and an increase of fires is a phenomenon for which they are prepared." (Our italics.)

Most interesting. The insurance companies are here presented as summoning up their fortitude to meet losses when bad times overtake the country. But they do not have to; for, being a branch of the banking system, they know when bad times are coming, and are therefore able to levy funds from policy-holders, and accumulate reserves against the expected frauds. If it should happen that by some miracle of moral regeneration among the people the expected frauds did not take place, the special reserves would be a sort of windfall for the companies. No doubt *The Times* would like to tell us that the benefit would accrue to the policy-holders. Our reply can be put in the language of the writer, namely in the statement that the insurance "gang" are "intending as long as possible, in good times and bad alike, to worm" reserves "out of the good faith and losses" of their customers. Of course the reserves are statistically the property of the policy-holders; they are not robbed of money, but they are robbed of the control of it, which amounts to the same thing in practice. When, in 1919, the Bank of England decided to impose deflation the insurance companies knew what that meant, for they and the bankers thoroughly understood the statistical relationship between a decrease of credit and a decrease of trade, and therefore the relationship between a decrease of credit and an increase of fires. These

relationships being causal and mechanical, the Bank and insurance companies can be held not only to have predetermined these evil consequences but also to have measured and provided for them. In a fundamental sense, they laid the fires which Harris lit.

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In the same sense they are the authors of parallel fires, such as the burning of coffee and wheat in Brazil and the United States, and in these cases have deliberately procured the lighting of the fires they have laid. They mean it all for the best; but, caught as they are in the principles of their own system of finance, they are driven by the logic of their policy of deflation to its ultimate issue in conflagration.

## A Social Credit Secretariat.

Sir,—Largely as a result of the unique nature of the unpaid service rendered through the pages of your review, the spread of the Social Credit theories and proposals has made imperative and urgent the formation of a Secretariat both to deal with the world-wide correspondence which has been evoked, and to provide such services as may be necessary to assist local or other propagandist organisations—I need hardly say, not to compete with them.

May I ask the courtesy of your columns to endorse the appeal of the Acting Secretary, Mr. W. L. Bardsley, for the necessary funds to establish and carry on this undertaking.

C. H. DOUGLAS.

8, Fig Tree Court, Temple, London, E.C.4.  
August 25, 1933.

## Education and Action.

Several years ago Major Douglas said that when the pressure of events forced the bankers to face up to the Social Credit issue they would try to dodge it by offering something which looked like Social Credit. To-day there is plenty of evidence that they are preparing to play this trick. The preparation consists in releasing the Social Credit film for exhibition and discussion, but taking care to produce an edited version, and to limit the distribution of the film to tied exhibitors who are obliged to show it without cuts, additions or transpositions. If one looks through the newspapers to-day he will find them plentifully sprinkled with ideas, facts, arguments, sentiments, idioms, and technical expressions which, not long ago, were peculiar to authentic Social Credit literature alone, and which, in many cases, were invented by Social Credit speakers and writers. But if he looks carefully, he will see that although every phase of Social Credit propaganda is recorded in the financiers' film the effect which the authors of the original version designed it to produce has been spoilt by changes in sequences and variations in focussing and lighting. The audience are shown close-ups of minor issues, while major issues are lost on the skyline. Truths are exhibited with reversed light-values just as would happen if a cinema-operator projected a negative instead of a positive film-record, where the sun would appear as a black disc with white spots.

When a poultry breeder has a valuable strain of fowls which he wants to hug to himself, he takes care, when selling any of their eggs, to prick them with a fine needle so as to ensure their infertility. And that is precisely what the bankers are doing to hug their prized control of credit to themselves. They are preparing to foist on the public the pricked egg of Social Credit in the hope that they will sit on it until it decomposes, whereupon a disillusioned democracy will, they hope, have learned the lesson that the hatching of prosperity had better be left to the Old Hen of Threadneedle Street. It is a clever device. Every constituent which is necessary to form

a chick is present in an unfertile egg; and the absence of the life-principle is practically impossible to detect except by those who are alive to the significance of the almost imperceptible perforation of the shell.

From this it follows that the leaders of the Social Credit egg-drive must be expert egg-testers. They must scrutinise any offered plan of "Social Credit" to see that it is hermetically closed to the sterilising influence of obsolete principles of costing. There are various subtle ways in which the bankers can so prepare a scheme which would incorporate price-regulation as to deceive all but a comparatively few advocates of Social Credit. Such few as exist are qualified to be, so to speak, the Diplomatic Corps of the Social Credit Movement—people whose function is distinct from, though it may include, that of mobilising public demand for Social Credit. To those who are inclined to doubt this deceptive power of the bankers we would say that it is possible for even an authentic Social Credit plan to be so formulated in administrative terms as to conceal from all but the cleverest experts (either in favour of, or hostile to, Social Credit) the fact that it embodied the essential principles of Social Credit—or, to be strictly accurate, involved a line of initial action which would make the subsequent formal adoption of the essential principles logically and practically inevitable. We may also recall the fact that the terms of Major Douglas's exemplary scheme for Scotland caused a considerable amount of its fluttering in Social Credit dovescots notwithstanding its manifest embodiment of the two basic principles.

The diplomats of the Social-Credit Shadow State—State-to-be, which the Movement as a whole represents—are born, not made: they are geographically scattered; their identity, in many cases, is not known, and therefore the "Diplomatic Corps" does not exist in a formal official sense, but only potentially. No committee or council yet formed, or in process of formation, holds itself out as an exclusive collective embodiment of diplomatic genius, though it may, and in some cases does, include persons possessing such measure of political tact and sagacity as reveals the born diplomat—to his peers if not to others. Such persons exist in London, the Provinces, Scotland, Ireland, Australia, New Zealand, South Africa, and other parts of the Empire, not to speak of the United States and Japan. Those outside London are, to some extent, known to each other; but to a very much larger extent they are known to their opposite numbers in London for the reason that London is the Clapham Junction of the world as regards correspondence, and the Mecca of Social-Credit pilgrims. Hence London is the obvious centre where, *when the situation requires it*, the nucleus of a diplomatic order should form itself.

The situation does now require it. And for a curious reason, which is that, from the point of view of purely propagandist success, the Social-Credit Movement, which once faced an up-hill task, now faces a down-hill task. The problem of raising recruits has become the problem of digesting them. Testimony is universal that the public are responding to our broad case and our broad objective with more and more alacrity; so that the old trouble of getting people to come aboard our ship has given way to the new trouble of stopping her ascent or scaling up her side *en masse*, and pulling her ashore or over. Our old press-gangs are having to drop round- ing up sailors ashore and take to warding them off afloat. "Social Credit propaganda in its customary sense," one sagacious observer remarked recently, "can be left to run under its own steam." What he meant was that our problem was how best to weld the products of this propaganda into an effective instrument of action.

For its own purposes the Green Shirt Staff have dealt with that problem by imposing on every new recruit a certain status and function. Their test is not simply "Are you willing to work for the Social-Credit objective," but: "Are you prepared to abandon your notions as to ways of reaching it, and to obey orders?" It is a hard test for people born in the bad air of our so-called "Democracy," who have been trained to

think that their co-operation in a Movement gives them the right of direction—as if sympathy for an end created knowledge of the means.

Probably an identical test for the Movement generally would be inadvisable or impracticable. But something parallel to it is not only advisable, but is actually being asked for. For example requests from overseas have been reaching THE NEW AGE for guidance on controverted points of policy—and this, let it be noted, not from raw recruits to the Movement, but from veteran leaders whose credentials and qualifications are beyond question. Such a demand tends to draw THE NEW AGE outside its essential function, besides laying upon it a task too great in dimensions to be dealt with single-handed. We have, of course, known where to seek advice, to check our judgment, and to get assistance: and it has been by reason of those opportunities that our correspondents' need for guidance has been responsibly, and, we trust, adequately fulfilled.

What is evolving seems to be (to adapt Major Douglas's phrase and diagram) an "aristocracy" of political guidance (the upright triangle) subserving a "democracy" of educational effort (the larger inverted enclosing triangle). The real motive force of educational effort lies in the sincerity of the educator and not in the method which he or she may choose. "Whichever way you best like doing it," Major Douglas once said to a mutual friend, "that is the best way for you to do it." So we may say that the dynamic quality of education is the product of its sincerity and spontaneity. And since both are attributes of *personality* they cannot be, nor should be, organised and ordered. That is why the above designation "democratic" in its true sense of equivalence between person and person is appropriate to the outer triangle of educational effort. It may be called also the triangle of *atmosphere*—in which case the inner triangle of "aristocracy" becomes that of *action*. How "action" shall be defined may be left for the present. All that it is necessary to say here is that the most simple and humble teacher in the Social Credit Movement is disengaging an atmosphere in which the scent of the right course of action will become perceptible.

## The Power of the Banks.

The following extract is taken from *The Australasian Manufacturer* of June 24:—

"An economic theory may be absolutely sound . . . but the moment it showed signs of being adopted by a sufficient number of people to sway an election or form a Government, the powers-that-be, namely, the financiers—would take good care that it would be discredited, and, if necessary to preserve their power, forcibly suppressed."—(*New Era*, Sydney; 13/7/33.)

## Kipling and Somerset House.

"And, apropos to our English system of business by cheque which makes our taxation so disgustingly efficient, he [Poincaré] furnished an illustration. 'Do you know what a litre jar is? Yes, it holds a litre, but it can also hold ten thousand francs in small paper. You fill one with your economies. Then you bury it. Then you begin to fill their richer neighbours. That is all. In the villages now men say of three jar man.' No! It is not so easy to collect taxes when the money is there!' And the square thumb was turned towards the carpet."—(*Souvenirs of France*, by Rudyard Kipling, pp. 57-8.)

## Hatry & Co. (Maidstone), Ltd.

*John Bull* of August 12 contains an amusing account of the life of Mr. Hatry and his fellow prisoners in Maidstone Jail. According to the writer their prison task consists of a perpetual series of board meetings where they sit in conclave with visiting lawyers and accountants who are engaged in financial salvage operations outside. Although the firework-factory is barely smouldering something keeps going bang, and somebody has to run to Mr. Hatry to find out why, and what to do about it. "Hatry," he says, "is in his element." The article is headed, "Hatry and Co., Ltd., Maidstone Jail."

## The Films.

### The Crime of the Century: General Release.

The Paramount studios, who have exhausted every superlative to describe their mediocre products, do now and again make a picture that a critic can conscientiously recommend. "The Crime of the Century" is definitely good entertainment—well acted, directed and cut, and fast moving, with good and amusing dialogue. The star is Jean Hersholt, an excellent and finished actor, who has for some reason or other never received the prominence he deserves, although he was before the public long before the talkies. His performance in this film is admirable. The picture itself belongs to the very ingenious thriller type; you see the murder committed—in the dark—and half way through the action is halted for a minute to give you a chance of guessing the identity of the criminal. There are at least three possible suspects, and the real villain is a police official, who is detected by the hard-boiled reporter without whom no American crime, crook, or gangster picture is complete. Stuart Erwin plays the reporter after the conventional pattern to which all Hollywood's reporters are cut, and Wynne Gibson makes a stereotyped adulteress.

### Accidents Wanted. Heads We Go: Empire.

Whether by accident or design, whenever the Empire programme contains both an English and an American film, the former is an admirable example of the native screen at its most banal, most mediocre, and most characteristic. "Heads We Go," which is, incidentally, Constance Cumming's first English film, is actually a trifle superior to the average Elstree photoplay, but that is no justification for its existence. It takes us into the same stale old world of the West End and French watering places—a world in which the principal characters float aimlessly through a life of cocktails, dinner parties, and bloodless love affairs, and in which nobody does any work beyond attending to the wants of the idle rich. There are all the other usual ingredients—would-be comedians talking for some occult reason in a would-be American accent; the inevitable Silly Ass, who has become a great a curse to the English screen as he has for years been to the English theatre; flat-footed dialogue; musical comedy technique; and general amateurishness. The players contrive to mispronounce "Deauville" in a quite remarkable number of ways. The film contains one laugh, but I have already forgotten what it was. I enjoyed the "shots" of Victoria Station and the departure of a Channel steamer.

In contrast, "Accidents Wanted." This is no masterpiece, and could with advantage have been more cinematic, but it does make very good entertainment. Its theme—that of the lawyer who foments damage suits, mainly against a tramway company—makes for satire. In fact, the producers probably do not realise what a satire they have contrived not merely on the chicane and corruption of American law and business, but on the law in general. Properly considered, this film is a social document of distinct value; it indicates ruthlessly enough the mean and dirty actions men and women will commit for money, even when they lack the excuse of destitution. But do not let that deter you; "Accidents Wanted" is very good fun, backed up by Hollywood's characteristic efficiency. Lee Tracy, who played the journalist in "Clear All Wires," is the lawyer; the two impersonations are much of a muchness, which means that Mr. Tracy is being natural and enjoying himself. A capable cast includes Madge Evans and David Landau. Jack Conway directed.

### Postscript.

At the time of writing circumstances have prevented me from seeing "The Stranger's Return," directed by King Vidor, which finished a preliminary run at the Empire last Thursday. I am told that this is one of the films of the year, and hope to review it next week.

DAVID OCKHAM.

## Gramophone Notes.

This week, as promised, I have dealt with the records issued for August by the Gramophone Company (H.M.V.).

The records DB1857-9, of Liszt's B minor Sonata command attention. The soloist, Vladimir Horowitz, seems to have realised the composer's intentions very faithfully, and the technical excellence of the recording deserves special mention. Horowitz has a really delicate touch, and his dynamics are excellent. The crisp precision of the abundant *coloratura* passages is as delightful as the resonant *cantabile* of the andante movement, and the two Allegros have a brilliance which positively scintillates. If it is not invidious to select a passage for special comment, the stating of the subject of the second Allegro is admirable: the strong rhythmic basis of the whole movement is clearly and precisely indicated at once. For these records I have nothing but the highest praise.

Signor Gigli may be heard in Turridu's Farewell ("Cavalleria Rusticana") and in "Santa Lucia," DB1902, which is a charming Neapolitan folk-song affording ample contrasts. As I was indicating in my Notes a month ago, Gigli's singing stands quite by itself, and this record is highly characteristic. Melchior's singing of the Prize Song from "Die Meistersinger" and of one of the Forging Songs from "Siegfried," DB1858, is rather disappointing.

DB1952 is a most interesting record. The Philadelphia Orchestra plays transcriptions made by its conductor, Stokowski, of Bach's "Little G minor" fugue, and the choral-prelude "Christ lag in Todesbanden." The rendering of the latter is satisfying, for the orchestra captures the quiet meditative spirit of this beautiful and poetical piece of writing. The rendering of the fugue is by no means so satisfactory, however, although there is much to commend, as, for example, the beautiful playing by the solo "voices" as each enters. But somehow the fugue seems to need to be "welded together" in this orchestral transcription, and the "recapitulation section" is really rather overwhelming.

DA4404 is a record of Cimarosa's overture to "Il Matrimonio Segreto" by Dr. Leo Blech and the Berlin Philharmonic Orchestra which may help to popularise this well-written and vivacious overture, for the rendering leaves little to be desired. Throughout the rhythm and tone are excellent, and the climax is well prepared and built up. DB1675 is another good record by the same artists of a slightly abbreviated version of the "Oberon" overture.

The B.B.C. Orchestra, under Dr. Adrian Boult, has made records of Beethoven's "Egmont" overture, DB1925, and of the Nocturne from Mendelssohn's "Midsummer Night's Dream," DA1318. This last record is a rendering of exquisite delicacy. Aubrey Brain plays the dreamy horn passages delightfully, and all through the rendering the wind passages are played with sureness of intonation, and the whole effect is really that of a Nocturne.

B4482 is a record of Peter Dawson and chorus in two of Stanford's "Songs of the Sea," and B4480 is of Paul Robeson singing more negro spirituals. Both records are characteristic of these artists, and Essie Ackland gives an adequate rendering of some Irish folk-tunes on B465. Mark Hambourg gives a somewhat hard and heavy rendering of the Chopin Polonaise in B flat, and a couple of Chopin waltzes, C2579, and Richard Crooks sings two ballads, DA1330, in a way which makes me wonder why he did not sing something better.

Mr. Thalben Ball has contributed a really good organ version of Greig's "Morning" and "The Death of Aase," in which he makes full use of the resources of the Kingsway Hall organ, and Marek Weber's orchestra gives a light version of the Gavotte from "Mignon" and the Beethoven Minuet.

H. G. B.

## Questions and Answers.—IV.\*

(Contributed by the Credit Study Group from their correspondence.)

*Do you mean that because the industry could finance its own development from a reserve fund a bank loan would not be required, and so no more money would be created by a bank loan? The needs of industry and of the consumer would be met more, as it were, by the circulation of the "same" money and less by the creation and destruction of money? I am afraid, though, I still do not see why regular issues of uncancelled money would not lead to inflation as soon as the industry's reserves became large enough to finance all necessary development.*

The short answer to this point is that all money issued to consumers and expended by them starts on its way back to cancel indebtedness, and whether it be the owners' capital resources which are replaced by it or bank loans which are repaid, it defrays indebtedness.

There is no question of money being the "same" when it is used to promote a later cycle of production, because it then is in process of building up another price—through which it will be again recalled. The process proposed is not essentially different from the present, in so far as incomes are paid year by year now to everybody and only "withdrawn" through their expenditure. It is not that the "regular issues" (of Social Credit money) are "cancelled"; the proof that they are cancelled lies in the fact that they are only issued for the purpose of meeting previous debt, as part of previously ascertained costs of production (in the case of Price Discount), and as a part of other previous capital expenditure in the case of the proposed Dividend. The National Credit Account is "written down" by the total of all issues of Social Credit (i.e., State-created money). The Social Credit financial creations are equivalent to bank creation of loans, only that the cancellation is made at the right time (i.e., on the completion of the money's service) instead of leaving the aggregate debt of a period outstanding against the future. If the money issued by the State were also cancelled, the State as well as by the banks, whose loans it replaces, the dilemma would be left as it is.

*I should have thought the amount of National Dividend issued ought to be directly related (a) to the country's production of wealth, and (b) to the number of citizens. You relate it, however, to education, harbours, and roads, etc. A reduced expenditure on education is perhaps unlikely, but what is going to happen if the expenditure on harbours and roads is small because the country has enough for the time being, but the country's output of goods is very great with the number of unemployed also very great? Will you not entirely fail to distribute adequate amounts of purchasing power to the unemployed who, as they are not in receipt of wages, will derive no benefit from price reductions, since reduced prices do not help people with no money at all.*

Surely if industry ever did cease to expand, the issue of National Dividend money supplementary to the full Price Factor payment must cause inflation? If price factor payment alone made possible the sale of all goods, any further money issued could not have a goods backing. Would it not be necessary then to abandon the idea of backing for your education, roads, etc., as the indirect backing for your National Dividends and relate them solely and directly to price factor payment? If figures showed the latter to be 100 millions you would have to issue 50 millions as National Dividend, and apply the other 50 to price reduction. Is this exactly how it could be done?

The National Dividend is directly related to the country's production of wealth and to the number of citizens. The per capita distribution is precisely to be ascertained by the relation of those two figures.

In the event of capital expenditure diminishing, it is most likely that the other means of distributing income—the price discount—would be higher (i.e., prices to consumers would be lower), so that the smaller dividend would purchase as much or more. The unemployed receive the dividend as citizens and will necessarily derive the same benefit as everyone else in prices. Their almost immeasurable need of everything ensures a rising productivity for a long while.

If industry ceased to expand it would mean either that the public had enough of everything desired; or had come to prefer a simpler way of life; or that mechanical processes

\* Readers are recommended to refer back to former questions and answers in some instances; those here given are, in certain cases, the further questions and answers provoked by the earlier ones already quoted.

had reached its limit of possibility. In either event the State issue of money would at all times replace the part of total prices credited to reserves and bank loans, as distinct from the part representing personal incomes distributed through industry during the same period.

As money received by individuals will only be withheld from immediate expenditure after the needs of its recipients are met, I cannot see the cogency of the fear that Dividend Money will ever cause inflation. We have seen recently in the U.S.A. that the mere hope of a market has led to speculation and over-production in advance. There is no fear whatever of goods not being "there" to meet the additional money. Of course, it will operate in the U.S.A. as inflation, i.e., the additional money will be absorbed by higher prices per unit of goods as well as by larger total sales. Social Credit is designed to get additional goods distributed without that evil accompaniment.

Education as a public service means money expended on a teacher's salary, on school buildings, on books and blackboards. That money is extracted from private incomes, thereby leaving a "hole" somewhere in purchasing power against current prices, or it is bank-created. In either case a social "good" is effected, against which the community should be put in credit, not in debit, so that dividend replaces the extracted or created money, period by period. This is the simple basis of the dividend.

*I can see that having to replace a set of machinery by a new one before the first set had been paid for in the price of goods would cause a piling up of prices.*

The increasing discrepancy between prices and incomes (even despite the immense disposal of goods under cost which is going on) is of a much wider range of causes than the specific replacement of old by new machinery. Most industries have had to submit to bank loans being converted into "first charges" on the business in some form, as well as being under the necessity of borrowing further, period by period. This loads up prices with items which do not become purchasing power because repayments to a bank of capital advances are cancelled.

*Is this kind of replacement all that is meant by the time-lag, or has it anything to do also with the effects of deflation?*

There are important elements in the "time-lag," which Douglas expresses in saying that "the rate of flow of prices is greater than the rate of flow of purchasing power" and that the lag is increasing. In public finance, as you are, of course, aware, every municipality and nation has to collect from the public and pay over huge amortisations which are cancelled out of existence; in the aggregate these are enormous withdrawals from current purchasing power. "The rate of flow of purchasing power" is constantly diminishing on this account, whilst the same process operating as taxation carried into prices serves to widen the gap—two aspects of the same constant drain.

*Do the books of many business firms really show that they are seriously embarrassed by inability (because of the high prices they must charge) to clear the costs of one set of machinery by the time the putting in of another set becomes imperative? Prices are usually so moderate that one would have thought this not a very important cause of trouble, the main ones being heavy taxation and too little money for the unemployed. Surely an enormous number of concerns are not faced with the problem of rapid renewals of plant?*

Certainly, innumerable firms are embarrassed—and going into bankruptcy—because they cannot recover costs in prices. I do not think the single and exceptional item of instalment of new machinery whilst a former installation remains unpaid for is a common form of embarrassment because the concern's bank would generally compel it to go bankrupt, or reconstruct at the sacrifice of its shareholders, if it got into such a dilemma as the result of a specific outlay. Nor would it, as a matter of common prudence, replace machinery unless it was fairly well assured of a market for its product.

*Why does the fact that the larger part of prices is required to defray costs incurred in an earlier period create a difficulty? If the price of articles on the market to-day for the past, is not this offset by the wages being paid to-day for the making of machinery which is not yet producing goods, and in consequence is not yet doing anything to load prices of ultimate commodities, though it is distributing purchasing power for goods now on the market?*

This is the real time-lag. The larger part of prices being often needed to meet old debt creates a special difficulty

because the repayment of the old debt usually means the instant cancellation of the money out of existence; it is not even re-distributed anywhere else in the social or industrial life. Old machinery generally must have been paid for; otherwise the machinery firms would go bankrupt. It is usually bank-created money which is the old debt burden, owed to the banks, not to the other manufacturers, and therefore cancelled upon repayment.

*Does not the abstraction of £100 in notes (assuming that an equivalent amount of notes has not reached the bank through other sources) deplete the bank's cash reserves and hence limit the amount of new loans it can grant?*

*What is the nature of a bank's cash holdings at the Bank of England? Where does it first come from? In what form does it exist? Does the receipt of notes by a bank always reduce its holdings at the Bank of England? If so, how and why?*

It is true that the banks have encouraged the cheque system because if a greater part of transactions is effected by notes the procedure does in the aggregate put limitation upon their "liquid assets," whilst the cheque system leaves them freer. But it is a small matter, since the "loan" effected in notes is entered as an asset and becomes the basis of further credit creation—to lend to the public, if they will borrow; or "to purchase securities" if they won't—as at present. It is not really a matter of importance, because if notes go out one day they come in the next. No one takes notes except to spend; spent they are already on their way back to the bank.

What constitutes a bank's "cash" is somewhat mysterious. Its actual notes and coins at any given time must be added to its "balance with the Bank of England." It has little to do with what is cash to a private citizen. Barker, in *Cash and Credit*, says: "The joint-stock bankers treat their balances with Bank of England as being equivalent to gold, and include such balances in the basis of 'cash in hand and at the Bank of England' upon which they rest their superstructure of loans."

You enquire "Where does it first come from?" The answer is: From a creation of credit to purchase Treasury Bills. (Of course, the original transaction by which the Bank of England was founded is familiar to you.) The receipt of notes by a bank does not reduce its balance at the Bank of England because the notes still remain part of its "cash," and it records its till money and its Bank of England balance in one total.

## Japan's "Free Credit."

"In the course of a speech before the World Economic Conference in London, the leader of the Japanese delegation, Viscount Ishii, made reference to the policy of 'free credit' being pursued by Japan.

"This reference to 'free credit' is intriguing. It probably provides the explanation regarding Japan's campaign of underselling her competitors in the world markets. It would appear that Japan's policy is to subsidise her manufacturers from the source of national credit, because they are selling under production costs. Japan has had an adverse trade balance for years past, yet she has not raised any loans, internal or external, for some time; and presumably financed her military operations in China from National Credit.—H.E.A." (*New Era*, Sydney; 13/7/33.)

## "A Land Fit for Heroes."

"One of the burning topics of the day in New Zealand is the question of the treatment of the unemployed. Having successfully exiled the single men into the remote out-back camps, where they are no longer a potential menace to the peace of New Zealand, the Government is now determined that the married men shall follow them. The feelings of the men and their wives and children are not to be considered at all. The camps might be tolerable in fine summer weather, but in the bleak winter months they will tax the endurance of the hardiest. A large portion of these men are returned soldiers with constitutions impaired by hardships of their war service. This is their reward. Meanwhile their wives congregate outside the Mayor's Relief Depots for their pitiful allowance of vegetables and cast-off clothing.—(*New Era*, Sydney; 6/7/33.)

## Douglas's Evidence.

"Douglas Advocates should make a point of seeing that their Federal member gets a copy of the evidence given by Douglas before the MacMillan Committee: Price, 6d. per copy from the Book Department (H.Q.).—(*New Era*, Sydney; 13/7/33.)

## The Green Shirts.

### NOTES FROM THE GENERAL SECRETARY.

Green Shirts are depicted by Strube in his *Daily Express* cartoon for August 19. This is how the cartoonist sees us:—



A small party of London Green Shirts have been away up North for ten days' holiday. Our report says: "... Boat trip to Aberdeen and back, and held Green Shirt meetings every evening on board, so didn't waste time! It started by a discussion between three of us on the first night, and developed into a crowd of over forty people. By request we reopened the discussion on the following evening, and we adopted the same tactics coming back."

The *Lancashire Daily Post* for August 21 prints the following paragraph under the heading: "Social Credit Meeting in Preston":—

"Members of the Preston and Blackburn sections of the Green Shirt movement for social credit held a meeting in the Preston Market Square yesterday, to expound the principles of Douglas social credit system."

"Various features of the scheme were explained by the speakers, it being claimed that the Douglas social proposals would solve the problem of poverty."

Our report of this meeting says: "Sunday, August 20. Preston, 3.30 p.m. A unit of about seventeen Green Shirts assembled and marched for an hour and a half as a street-patrol through the town, with men on the flanks giving out leaflets advertising the meeting. At 7 p.m. we marched to the Market Square and began. At once we had a large crowd—more than 500. It began to rain and half the crowd 'melted' away. There was a covered market near by. We went there and started again. Questions were easy. Someone began asking just those questions we like to be asked. Went down into the crowd and became immersed in argument. By 10 p.m. the meeting had officially closed, but a G.S. leader was again on the platform speaking to an interested group."

Time and again we have found that leaving the platform and coming down into the crowd is one of the best methods of recruiting. We take this opportunity of bringing this method to the attention of all Green Shirt leaders and organisers.

On Sunday, August 13, a meeting was held in Bradford. This was attended by Green Shirts from Oldham, Keighley, Leeds, and Sandiway (Cheshire). Our report says: "The Keighley contingent were delayed by their train being late and had not yet arrived. The Communists were about to start, so two of us decided to get going. We had to speak thirty yards away from the Communist. We had a good crowd of interested listeners. In about half an hour the Keighley men arrived. By this time the meeting alongside had moved over in order to obstruct us. They did so by shouting, and so on, and by asking absurd questions. For a time there was some disorder. Then one of the Oldham Green Shirts asked to get up and speak from the rostrum and did so. He was a drill instructor during the war and has a loud voice. He did the job. A pleasing feature was that during the row occasionally a

man in the crowd would come up and hand us a slip of paper with his name and address on it. This happened four times. We wrote to each of these the next day. One of them will, I think, become a section leader. Out of this meeting arose the chance for the G.S. leader from Leeds to go to Bradford the following Wednesday (August 16) to address an organised group of unemployed. This he did and enrolled eight."

So the nucleus of the 1st Bradford Section has been formed. We understand that the Leeds and Bradford units will work together for the time being.

## A Gloss of Green Shirt Ideology.

Compiled by R. J. Dixon.

(Deputy Head Man, the Green Shirt Movement.)

- 1. Definitional.**
  - The Politics of Social Credit. (*As apart from the purely technical aspect.*)
  - A Sane Economic System. (*One in which Social Credit has been applied.*)
  - The Social Credit State. (*Any community operating Social Credit.*)
  - A Popular Mandate v. the Ballot-Box. (*The only effective political method, because the parliamentary system is controlled—almost openly—by the Credit Monopoly.*)
  - The Power of the Empty Purse. (*The power of organised mass pressure coming from those most heavily pressed upon by the economic system.*)
- 2. Assertive.**
  - The One Principle: That the economic security of the individual can and must be established.
  - We are suffering from Artificial Poverty.
  - Poverty amidst Plenty is a Tragic Absurdity.
  - There is a shortage of purchasing-power.
  - "Over-production" is due to under-consumption.
  - The Credit Power of the British People belongs to the People as a whole, and may not be restricted or withheld by any private individual or group whatsoever.
  - Voting is useless.
  - Parliament is nothing but a Chatterbox.
  - The Political Parties are powerless.
  - We know what is wrong, and how to put it right.
  - Douglas Social Credit is the Only Remedy.
  - This is not the first time in the history of this country that the People have had to take matters into their own hands and force the issue by taking action *outside* of the parliamentary system—that legal tangle of talk and tinkering.
  - Without organised mass pressure Social Credit cannot be applied.
  - The time for discussion is ended.
  - Social Credit is not Communism.
  - Social Credit is not Fascism.
  - Social Credit is Common Sense.
  - Black Shirts and Red Shirts, like the opposite sides of a bad penny, are not wanted.
- 3. Imperative.**
  - Open the NATIONAL CREDIT OFFICE.
  - Issue the NATIONAL DIVIDEND.
  - Enforce the SCIENTIFIC PRICE.
  - Break the Bankers' stranglehold and establish the Social Credit State.
  - Make the Home Market effective.
  - Credit Power for the People.
  - Demand the Wages of the Machine.
  - Deliver the Goods.
- 4. Directive.**
  - For the British People—against the Bankers' Combine.
  - Towards the Economic Rummaged.
  - Study—Propagand—Demonstrate.
  - From Study Group to Action Group.
  - Be Seen and Heard.
  - Disciplined Mass Pressure.
  - Bring Social Credit from the technician's Study into the Market Place.
  - One Objection and one only—*Douglas Social Credit.*
  - Come out into the streets and tell the people the truth.
  - We cannot fight on a World Front—we must come down to earth, the earth on which we stand, here, in these islands of Britain.
  - Demonstrate for the National Dividend.
  - Ask the Awkward Question. (*That is the Social Credit question that "explodes" orthodox economic teaching.*)

## Reviews.

**The Way Out: A Solution of Our Present Economic and Social Ills.** By Upton Sinclair. (T. Werner Laurie, Ltd. 3s. 6d. net.)

This is a series of letters addressed to one Perry, an American business man who, after enduring one depression, must have experienced another in the person of the author. Upton Sinclair is one of those bores who parade the facts of the financial deadlock but manifest complete inability to draw the correct inferences from them. One suspects that Perry, if he had replied, could have enlightened the author on, among other things, the difference between industrial ownership and financial control; indeed, George Westinghouse could have told Upton Sinclair all about that a generation ago. Like the professional economist, the author has a wide knowledge of the things that "ain't so," and his "work complex" blinds him to the fact that his "cure" is tragically funny. One does not know whether to laugh or cry at the old-fashioned revolutionary. His plea for "one banking system" (page 56) conjures up a picture of a mild-mannered curate being invited to "spot the lady" by a racecourse gang. The book is mischievous because it constitutes yet another red herring to be drawn across the path leading to the Leisure State.  
E. E. P.

**Cinema Quarterly.** Summer, 1933. 24, North West Thistle Street. (Lane, Edinburgh. 2s.)

With the present issue, the "Cinema Quarterly" finishes its first volume. Succeeding issues will not only be changed as to size, type, and format, but the price will also be reduced to a shilling, the figure at which "Close Up" used to sell until it was altered from a monthly to a quarterly. The popularity of the old "Close Up" was largely due to its many and excellent illustrations, and I would suggest to the conductors of the "Cinema Quarterly" that they materially increase the number of "stills," and give us as much news as possible of what is being done and projected in the European studios. Such contents would, on the whole, be more interesting to the class of intelligent reader for which this type of publication caters, than abstract essays.

Leontine Sagan, Victor Saville, G. W. Pabst (in an interview), and John Grierson are among the contributors to the present issue. If the Film Department of the Empire Marketing Board be abolished, it will be more than a blunder; it will be a crime, especially if, as appears not improbable, its products to date are destined for the dustbin. "In England, as in any other country," he writes, "there is little or no money for free production. There is money for films which will make box office profits, and there is money for films which will create propaganda results. These only. They are the strict limits within which cinema has had to develop—and will continue to develop."

Mr Grierson is, of course, speaking of the film trade as it exists, and he assumes that it will continue to function on identical lines. Probably that is so; I for one, have no illusions concerning the industry. But it is a very incompetent industry, which takes no pains to find out what the public wants, and completely disregards the existence of the very large and increasing number of people who are tired to death of pointless celluloid adulteries, and whose mentality is above that of the Hick towns of the Middle West. Even in the early days of the screen, pictures that were not made within to fit the box office straight jacket, such as "Salvation Hunters," made money. And they cost very little to produce. Other independent producers have proved the same. But the evidence has largely been wasted in face of the uncultured and unimaginative men who dictate, in this and other countries, what films the public may and may not see. Even when we get a worthwhile travel or nature picture, it is nearly always largely ruined by the addition of a continuous running commentary, in which nothing is left to the spectator's imagination, while the banality of the dialogue and its dreadful attempts at humour are surpassed only by the raucous American accents of the commentators. So I suppose Mr. Grierson will continue to be right.  
DAVID OCKHAM.

## Notice.

All communications requiring the Editor's attention should be addressed directly to him as follows:

Mr. Arthur Brenton,  
20, Rectory Road,  
Barnes, S.W.13.

Renewals of subscriptions and orders for literature should be sent, as usual, to 70, High Holborn.

One Great National Demand to Buy the Goods Produced. Not Less for Some—but More for All.

Against the Bankers' Combine—for the People's Credit. From "Dole" to Dividend.

Social Credit or nothing. (*The Man who wants "some sort of Social Credit" is a man who wants to run a motor-car minus the magneto. There are no superfluous parts to Social Credit.*)

You cannot "hold back" and, at the same time, expect to go forward and win.

Tell the public plainly and positively what you stand for. By this means you disarm Finance which dare not explain its own jargon to the People. Finance is forced to move in secret and to speak a mystical mumbo-jumbo. Therefore, move in public and speak plainly.

Assertion is stronger than argument.

Explain but do not argue. State your case clearly and leave it at that.

It is better to engage the enemy than to be looking for allies.

Action taken merely to relieve one's emotions is nearly always wrong.

Never neglect an opportunity—a shot in the dark may win a battle.

The first phase of the struggle is psychological.

The psychological struggle is waged with words.

Do not despise slogans. Every effective slogan is a sharp weapon—use it.

You cannot move faster than circumstances allow—but be sure to move as fast as they do allow.

No excuse is better than some.

Show Energy—Determination—Audacity.

Numbers and Discipline will win.

**5. Admonitive.**

Do not stop the plow to catch a mouse. (*Do not be drawn aside from the one objective: Social Credit.*)

No sidetracking.

No rioting—no violence—no disorder.

Show your good discipline.

A riot is not a revolution.

**6. Agitational.**

Down with the Bankers' Combine!

Break the Money Ring!

Away with the Money-Spiders!

Call the Bankers' bluff!

**7. Interrogative.**

Would a Maggot starve because the Apple was Too Big?

Have you enough Money? If not, you are a potential Green Shirt.

**8. Formative.**

You will not get what you want—Money with which to buy goods and services—if you will not organise effectively.

Join the Green Shirts.

**9. Explanatory.**

Green is the colour of the New Economics of Life, as against the Black Economics of Death by Numbers.

Social Credit means more Money for you.

The Committee Ritual of Democracy (as we know it) is specially designed to turn Action into Words. We want Action. That is why we use the Double-Technique. (See under "Organisational.")

**10. Organisational.**

The Double-Technique:—

i. The unarmed military method.

ii. Constant consultation between all ranks.

Discipline with understanding. (*The result of the double-technique of the Green Shirt Movement.*)

On parade is on parade—off parade is off parade.

Willing discipline under direct leadership.

The marching and drill of the Green Shirt Movement is politically essential.

We keep order by keeping orderly.

**11. Invigorative.**

Come on, the Green Shirts!

Break through inertia!

Defeat defeatism!

We shall win! Remember, what has happened before can happen again—and what has never happened can happen!

Back the Green Shirts!

**12. Appellative.**

The Party of the People's Credit.

The Vanguard of the Awakening Masses.

## LETTERS TO THE EDITOR.

### THE PROSPERITY CAMPAIGN.

Sir,—I am surprised at the manner in which your reviewer has dealt with the booklet "Prosperity Campaign." I fear he has created a totally wrong impression as to the contents and purpose of the booklet.

The booklet is not merely "an ideal propaganda pamphlet for anyone in touch with Church work," but a detailed scheme of action directed towards the establishment of a Social Credit State.

Our leaders have for a long time warned us of the danger of Social Creditors supporting a political party which might make our proposals a plank in their platform. Mr. Scrutton has overcome this and many other difficulties by directing the Social Credit Campaign through a neutral instrument; the various Christian denominations, so gaining the support of the rank and file of all political parties.

The booklet contains detailed instructions for organising Campaign Councils in every parish in the country, and for the collection of funds for propaganda purposes. Lastly a petition is to be sent round each parish to secure support for the Campaign Manifesto to be sent through the Churches to the King. The King will be asked to use his prerogative and form a council with a view to bringing about the establishment of Social Credit, or he might present the petition to Parliament for all parties to examine. In this way all political parties can support the petition because it will not be a plank of any other party's platform.

The Manifesto mentioned in the booklet has been drawn up by the Social Credit Secretariat, and a number of Christian leaders, and it was adopted at the S.C. Summer School at Matlock as the official plan of action for the N.C.A.

Though the booklet has only lately been published, the Campaign has been taken up by groups and churches in Birmingham, Sheffield, Falmouth, Penarth, Dunkinfield, Liverpool, Wallsend, Chelsfield, Southampton, Bournemouth, and many other towns, including groups in California and New York, where the campaign is being studied with a view to application.

Yours faithfully,  
J. L. ROANTREE.

### SHAW ON DOUGLAS.

Sir,—Mr. G. Bernard Shaw, in the reprint from the *New Economics* (Australia) by last week's *NEW AGE*, writing of what he conceives to be the normal practice of bankers in lending out the deposits of other people's money held by the former, says: "Of course, the profit to the banker is enormous if he is a good judge of a safe borrower. The moral is that banking should be *naturalised*." Obviously the error italicised should read "*nationalised*," from Mr. Shaw's position as a State-Socialist. Read on: "In disposing with his usual cleverness of the economists' apologies for interest, G. Bernard Shaw takes a position upon the money question not at all in harmony with the State-Socialism toward which he usually inclines. . . . Speaking of the tax which the banker who has a monopoly levies upon all commerce, he says: 'Only by the freedom of other financiers to adopt his system and tempt his customers by offering to share the advantage with them, can that advantage eventually be distributed throughout the community.' Only, observe. No other method will do it. Government monopoly will not do it. Nothing but *laissez-faire*, free competition, free money . . . can abolish interest on money."—(*Liberty*, Boston, Mass., September 24, 1887.)

The fact that Major Douglas's financial proposals involve something more comprehensive than an attack upon interest on money does not seem to have been noticed by Mr. Shaw. For him the financial question is as it was in 1887, the only difference being that he has reversed his own remedy by a contradiction.

W. J. ROBINS.

### GIVE US OUR DAILY BREAD.

Sir,—Consonant with the accepted mesmerism of the masses the *News-Chronicle*, in big type, announces that a Wheat Pact has been signed and the Wheat World is to reduce crops. I may be in a minority of one (I have my doubts), and I realise that it is much better to be mad with the multitude than sane by oneself, but Social Creditors who are not mesmerised will see in this announcement one of the signposts on the road to financial lunacy. Let us hope that its destination will be speedily reached.

Coinciding with this announcement is a Strube cartoon in the *Daily Express*, and although that paper is only light comedy on the fringe of Social Credit ideas, the cartoon is good. It is entitled, "The Harvest Thanksgiving," with

Plenty in the chair, at a meeting in an industrial board room. The wording is as follows:—

International Financiers: Young woman, after much deliberation, we have unanimously agreed that you are the cause of the world depression. Don't you understand economics?

Spirit of Plenty: No; do you?

Those in the movement are now supplied with an overwhelming and positive point against a handful of power-holders who are seeking to control solar energy. They are at the throats of mankind. That they must fail is inevitable, but the period of waiting for their final collapse is now probably at its highest point of stress, and this should give more power to the hands of the few who are friends of the Sun and true shepherds of humanity.

CHRISTOPHER GAY.

### BREAKDOWN OF CIVILISATION.

It is not much comfort to us to hear, in Mr. E. M. White's "Remarks Heard at Matlock," that "civilisation cannot break down," when we know that in most of Europe, even in historical times, it actually did so. We may agree that, more definitely since the invention of printing, its essential spirit cannot entirely perish; but to state that it cannot break down, when we see the actual process going on before our eyes, seems to some of us absurd.

PHILIP T. KENWAY.

### "Making the Treasury Notes."

Letter in the *Observer* of August 27, 1933:—  
"Sir,—With reference to the article in your recent issue on the 'Passing of a Great Event,' it may be of interest to your readers to know that on the Saturday before the eventful Bank Holiday of August, 1914, Sir John Bradbury (now Lord Bradbury) and a colleague came to my house at Hampstead Heath at night and asked my husband, Sir Frederick Atterbury, K.C.B. (then Mr. Atterbury in the Chancellor's name to get the paper money made. My husband was at that time Controller of H.M. Stationery Office. It was a matter of extreme urgency, and the first note was designed in my drawing room in a few minutes by my husband. To get the paper for the issue he had to get a special order from the Police to get into the Bank of England—officials being away for the holiday. As it was not possible to obtain His Majesty's signature in the extreme haste required by Mr. Lloyd George, Sir John Bradbury signed the note on behalf of the Treasury. The work was strenuous to a time. I am quired amount of notes issued in so short a time. I am firms who printed the notes, Messrs. Waterlow and Messrs. Harrison, kept their men working day and night. I am ill, and cannot get at my papers to verify facts, but to the best of my belief notes to the amount of five millions were printed under my husband's directions by the Wednesday. My husband never got over the strain, and though he lived on, it eventually caused his death.—Yours faithfully,  
"CHARLOTTE ATTERBURY."  
"Wingfield Nursing Home, Llandrindod Wells."

### Malayan Inflation.

"Kuala Lumpur, July 27."  
"A plea for inflation of local currency startled a debate on Lumpur Sanitary Board this morning during a debate on ways and means of financing capital works."  
"I suggest," said Mr. John Hands, "that the time has come when this Government should print its own notes on the security of the rubber in its trees and the tin in its land."  
"To my mind that sort of wealth is infinitely more valuable than the useless gold locked up in the banks. The currency report shows that something like \$120 millions of currency were in circulation in 1926, and there are only \$100 millions to-day."  
"This is a unique opportunity for the Government to do a little of what is known as inflation."  
—Extract from the *Straits Times*, dated July 24, 1933.

### SOAP MADE FROM BUTTER.

"We have seen one 'solution' to the butter surplus problem—a piece of soap. This was sent to us from Kawhia soap made from butter."  
—*Farming First* (N.Z.), May 10, 1933.

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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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