

THE NEW AGE

INCORPORATING "CREDIT POWER."

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NOTES OF THE WEEK.

The India Constitution.

Sir George Schuster, the late Finance Minister to the Government of India, arrived in London last week. He was met at the station by a solitary official. By a fortunate coincidence his unobtrusive entry through the scullery window of the India Office has been effected just as the crowds are beginning to assemble outside the front door in the expectation of hearing announcements by the Joint Select Committee and the Committee of Privileges on matters affecting the new Constitution for India. It is fortunate because, as the *News-Chronicle* puts it, "momentous reports are almost ready," and "Mr. Churchill and his Diehards Prepare for Battle"—in short, because a political rough-house is in prospect which, unless localised by wise wirepullers, might rock the bankers' boat and shift the cargo they have aboard her. The average politician's desire for notoriety is always a potential menace to the bankers' desire for secrecy; and when you have heavyweight ex-Ministers of the calibre of Mr. Churchill going in for strict and well-advertised training for the Polemical Championship of the Empire, you never know exactly what will happen on the day. It is not simply the danger of foul blows delivered in the heat of the contest. These only affect the prestige of the fighters. What has to be watched out for is the danger of the referee being involved in the rough-and-tumble. So, as we say, it is a fortunate coincidence that Sir George Schuster is here in time to read a private lecture to the aspirants for fame in the India Bill Tournament on the Queensberry Rules of the Official Secrets Acts. He will no doubt remind them that, as gentlemen, they are bound to wrangle, if they must, about the freight of the new Constitution within the terms of reference of the Bill of Lading, and refrain from saying anything in the excitement of controversy that might arouse suspicion that the schedule of the cargo prepared by the Master Trimmers of the City of London had itself been trimmed. Looking under the hatches is worse than hitting below the belt.

* * *

"The White Paper policy is bound to be considerably modified," remarks the *News-Chronicle's* Political Correspondent (May 23), but "it is very unlikely that

the new proposals will satisfy Mr. Churchill and the Conservative diehards." We can quite believe both statements. They simply affect the disposal of the deck-cargo, involving such questions as whether a crate of pole-cats shall be shifted astern where the captain won't smell them, or whether the casks of rum shall be removed to a safer distance from the crew's quarters. These matters, in their own frame of reference, are, no doubt, of engrossing interest to the parties affected, and could be relied on to afford material for disputes stretching over a period of years if it were decided to postpone the closure for so long. But the whole controversy will be futile. The shifting about of formal concessions on deck is nothing: it is the concrete "reservations" down in the hold which are everything. The boat is ballasted with bankers' powers, and its compass engraved with bankers' axioms; and if the antagonistic parties of political cargo-shifters on deck end up with a fairly balanced compromise as between starboard and larboard loads (as they probably will) the boat will ride on an even keel, however odd the course she shapes. Nevertheless, there is always the chance, with Mr. Churchill about, that something will come unfastened and give her a list which may expose the mysteries below her water-line. And it is this chance alone which, in the judgment of serious students, justifies the designation "momentous" to the forthcoming debates.

Bimetallism in the United States.

President Roosevelt has at last decided to adopt silver as well as gold as cover for currency. Sir George Schuster's arrival in England thus gains another dimension of significance. For wherever silver becomes an element in high policy there will be the Schusters, the Samuels, and the Montagu's in the midst of the counsels. No reflection is involved or intended against the integrity of any member of these three families, nor is it suggested that they have anything to gain or lose in a money-making sense from the adoption of any policy regarding silver, or from the resulting course of prices for that metal. It is simply that two of these families, the Samuels and the Montagus, have long been the dominant controllers of silver, and must automatically become involved in the high-political arrangements rendered necessary by the raising of the status of silver in

the hierarchy of the precious-metal cover for the world's financial operations. As for the Schusters, the relation between silver and Far Eastern trade and politics is clear enough to spare us the trouble of explaining the appropriateness of Sir George's recently-terminated position as Finance Minister to the Indian Government. We analysed at length in these "Notes" some years ago the internal and external relationships of these three families; and may revive and review our comments at the time if developments seem to call for it.

Two items of news should be recorded at the moment. The first is that the silver-producing States in the U.S.A. are disappointed at the conditions under which President Roosevelt reserves the right to implement his silver-purchasing policy. The second is that the silver market has hardly responded at all to the announcement of purchases. Both items go to show that the silver market is under effective international control, and that those people who control it have a pretty accurate idea of the rate at which President Roosevelt will purchase supplies. The President is entitled to acquire silver until his holding represents three-quarters of the total metallic backing for currency. Purchases of silver owned in the U.S.A. will first be made at a limit of 50 cents per ounce, but, in valuing it as a backing, a price of 1 dollar 29 cents is suggested as the objective. Unofficial estimates suggest that the Government will have to buy 1,300 million ounces to achieve the proposed ratio. (*News-Chronicle*, May 23.) According to *The Times* (May 23) the Government hold 700 million ounces, and need to raise this to 2,000 million ounces. "It is hoped," says that paper to "raise the world price" to 1 dollar 29 cents per ounce. The Washington Correspondent of *The Times* (same date) says that the domestic production of silver in the U.S.A. is 50 million ounces a year, so that "something like 1,000 million ounces" would have to be bought abroad. But "no man in his monetary senses," he comments, "believes that any serious attempt will be made to gather in this huge amount or any substantial part of it. . . ." This is in tune with another comment in *The Times* that President Roosevelt will adapt his purchasing to the requirements of the "public interest"—a euphemistic term of whose significance readers of THE NEW AGE are fully aware. All that one can say for certain about the whole affair is that silver has been presented with a certificate of legitimacy as the daughter of gold in the royal household of orthodox financial theory. Perhaps we shall now see the President making an annual pilgrimage to the tomb of that much-maligned person, William Jennings Bryan. It is interesting to recall, by the way, that when Mr. Bernard Baruch and Colonel House were deliberating whether to make Mr. Woodrow Wilson President of the United States, they hesitated until that gentleman had rid himself of his "bimetallist" heresies. (*Vide* Colonel House's autobiography.) Well, these evicted devils of long ago have come back to find White House swept and garnished for their occupation, and let us hope they find the place comfortable. The earth will manage to rotate just the same, no doubt.

Milk Marketing.

To anyone with eyes and ears, going for a rest and change into the country is like going for a busman's holiday. We tried it at Whitsun, and found ourselves whirled round in a vortex of unrest over small change. The price of milk was the dominant note of conversation all about the countryside. You couldn't get away from it; no, not even if you wandered, as we did, down a narrow high-banked silent lane packed with ragged robins, bluebells, forget-me-nots, violets, wild strawberries, and hosts of other blossoms; for you sooner or later came to a gate through the bars of which you would find yourself contemplating some wistful cow who, on seeing you, would momentarily stop chewing the cud as if in remorse at the reflection that perhaps you standing there, you, her lord and master, were in

danger of starvation by reason of her rich yield of milk. "See that there cow?" said a small boy to a companion astride a gate, "Well, that's the cow our milkman works for." So ran a joke in *Punch* not long ago. Yes; and she paid him his wages in debased currency—milk! The proof of it is unassailable—its natural value in exchange has been pronounced to be so low that the seller of milk may accept less than a protected value for it; and if his customers cannot pay that value he must pour it down the drain. If he cuts the price by a farthing the magistrate will fine him ten or twenty pounds. That is puzzling enough, but the farmers are discovering that the protected price is worse than the natural price used to be. They can't blame it on the cow, for the poor creature cannot read the newspapers, and therefore cannot realise the part she plays in ruining those who do. So they have to find another enemy who can understand their plight. Well, down in the West they are getting ready to kick the milk-marketing machinery to pieces. Even the most moderate of them are ripe for kicking out the present administrators of the scheme.

We were pleased to note that a speaker at one protest meeting harked back to the year 1917 when the Government, in a panic over the German submarine campaign, besought the farmers to bring the last inch of soil under cultivation, promising them that if they would they should never be let down again in the markets for their produce—their prices would be stabilised at a remunerative level. And then, the speaker proceeded, came the year 1921 when the Government said its own words and left the farmers to eat their own grain. The promise which arched like a rainbow across the stormclouds of the war dissolved in the dispersal of those clouds. The war to end war also ended its solemn contractual obligations of the war. There is saying that at the end of the rainbow you can find a bag of gold. It would be better to say of this farmer-rainbow that the finding of the gold standard market is the end of it.

The Dockers' Strike at Hay's Wharf.

According to *The Times* of May 26, the dockers' strike on the Thames, which has lasted nearly a fortnight, is now over. In its comments on the dispute *The Times* says that the strike "was wrong." The point is contained in the sentence: "It is admitted by the union to have been wrong." We have never heard of a union executive that did not lay it down as a canon of trade-union bargaining that all strikes are wrong. Accordingly, we are not surprised to hear from *The Times* that: "The union and its officials had no part in it except to get the men back to work." Quite so; the principle of "no strike" is the principle of "back to work." The two things are one, and the one thing is the trade-union canon of industrial righteousness. *The Times* goes on to say that the union and its officials having got the men to go back, proceeded to "intercede" with the firm. The function of intercession arose logically out of the aforesaid canon. Mr. J. H. Thomas' proneness to weep is a proverb in trade-union circles, and it seems that the poor trade-union official is liable to catch the infection by reason of the fact that on some occasions he has to plead with his men with groans and tears not to drop their tools, and on others to plead with larger tears and louder groans with employers not to victimise the men who have dropped their tools. "Thomas wept." They weep. We should all weep.

The report of the settlement included the description of an unsettling. It appears that a die-hard section of the dockers tried to push over the motor-car in which Mr. Devin was making his triumphant progress from the dockside back to headquarters. However, other dockers on the other side of the car pushed it in the opposite direction with equal energy, with the result that the car, with its human contents, preserved its equilibrium and trundled along the street with no more oscillation

from the straight line of its proper direction than would be perpetrated by two drunks ambling home in the accustomed inverted V-shape formation, singing, "The more we are together the merrier we'll be." The meaning of this little story is that trade-union levies are needed for strike-funds, and strike-funds are needed to keep men at work, or get them back. It gives one an insight into the logic of trade unionism.

As an item of interest it may be stated that the men struck work because half-a-dozen redundant clerks had been given permanent positions on the labouring staff. Apparently, the custom had been that sometimes promotions from the labouring to the clerical staff had been made, and hence the company is entitled in times of stress to reverse these promotions. No doubt that is just and fair within the narrow frame of reference in which it is argued, but it has to be remembered that whereas the labourer turned clerk makes room for a new labourer to be employed, a clerk turned labourer squeezes out another labourer. So there is no need for *The Times* to attribute, as it does, this strike to what it calls "a bad influence somewhere"—except, of course, in the impersonal sense that there is a bad influence in a system which condemns a man to lose his income when he loses his job. Put that right and we shall get no disputes at all.

Scullin's Economics.

Mr. Scullin, Leader of the Australian Federal Labour Party, has been laying down a policy which affords a perfect model of what ought not to be done. He starts off with the poverty-amidst-plenty sentiment, and then proceeds to prescribe a composite remedy calculated to stabilise the anomaly both from the political and technical standpoint. Here is a list of the items in it:—

- Commonwealth Bank to be restored as the nation's bank.
- Bank to have and use the fullest powers to mobilise the nation's credit, carry on public undertakings, encourage industry, and lighten interest.
- Deflation to be definitely arrested.
- All accounts of governments, municipalities, and other public bodies to be placed with the Bank.
- These devices, he says, he views as constituting a "substantial stride towards the nationalisation of banking."

He does not appear to realise that all these steps towards nationalisation would invest the bankers with added powers to resist nationalisation in every sense in which the thing called "nationalisation" is likely to do any good to anybody. This is all the more perverse on his part, because when Major Douglas was addressing audiences in Australia and New Zealand he heavily emphasised the danger of the banks being allowed to capture any more administrative power before they relinquished their formal right to control policy, which is what is envisaged when people talk of nationalising them.

But even assuming that the above devices did not impede the resumption of full control by the Government over financial policy, Mr. Scullin's suggestions as to what the Government would do with that control constitutes a strong argument against bothering the public with the trouble and expense of overcoming the bankers' resistance to it. He talks about progressive reduction of working hours. He advocates national child endowment and national insurance as "important to economic planning." He advocates the restoration of the reductions made in the social services and public service wages. It is true that he attacks the principle of restricted production, but any student of the credit question knows that his method (so far as it is a method) of assisting increased production will ultimately defeat that end. For example, it is easy to talk about restricting working hours, but unless that is accompanied by the employment of more men for the same production it will mean less production. On the

other hand, if it does involve an increase of employment without a reduction in wage rates, then the production will carry new costs equivalent to the collective addition to the wage bill; and that will, of course, happen on a higher scale as the rate of producing is increased. As Major Douglas has so often pointed out, the troubles of the producer begin at the point when the product is ready to be distributed by the industrial system to the private consumer. In a word, to remove restrictions on production you have first to remove restrictions on distribution. There is no way of fulfilling this condition within the wage-work system of monetising demand.

Lancashire's Obsolescent Machinery.

Those interested in the cotton problem are advised to read the leading article in *The Times* of May 26 entitled "Lancashire Looms," and also a letter in the same issue by John Ryan, of Ealing, on Lancashire's obsolescent machinery. Mr. Ryan quotes figures covering 20,000,000 spindles in 200 mills showing the proportion of obsolete machinery (dated earlier than 1910) as ranging between 54 per cent. and 77 per cent. according to the categories of machines surveyed. He suggests that this is a contributory factor in Lancashire's inability to compete with Japan. Readers may recall, by the way, the account we published some few years ago about a brand new mill and equipment in Ireland which was bought in and destroyed with sledge-hammers by mill-owners in order to escape the ruin to their markets threatened by its efficiency. One swallow doesn't make a summer, but this incident is worth bearing in mind when you find *The Times* advocating the imposition by the Government of "a compulsory levy for the purchasing of redundant spindles." Again, when *The Times* talks as it does about attempts at the reorganisation of the industry being "shattered by the individualism of spinners, manufacturers and merchants" you may be excused for wondering what the thing called "individualism" is which seems to be legitimate when it comes to the private smashing up of a mill in the interests of prices, but illegitimate when it means smashing up Governmental machinery of organisation designed to smash up machinery and mills.

It can be pointed out to pundits who talk about Japan's efficiency to remember that it is one thing to set up a new mill, full of modern machinery, on a virgin site, and another thing to scrap and replace an old mill site, and another thing to scrap and replace an old mill site and old machinery. Students of Social Credit will see the snag, viz.: that an old mill carries an old debt charge, whereas the virgin site has no debt charge but its purchase price.

Under Social Credit, for every pound of old debt resting on an old mill there would be potential claims to equivalent credit vested in the public. The loss involved in scrapping it would be a general loss diffused throughout the community. On the other side of the account would be the general balance of gain measured by the increased efficiency of the new mill. There would be no victimisation, no hardship, no loss of temper, no "individualism." We need not elaborate this, as those who read these words will know how to do so better than we do, especially in the districts where the troubles of the cotton industry are a burning question.

The Green Shirts and the Bank.

The short paragraph concluding the Green Shirts' report on another page, stating that replies have come to their letters (quoted and discussed last week) not only from the Prime Minister but also from Mr. Montagu Norman, the Governor of the Bank of England, will give satisfaction to every reader irrespective of his attitude to the policy and methods of the Green Shirt Movement. The leaders at Headquarters deem the latter communication to be a confidential document, and decline to agree to publication of its contents at the present juncture. All that we are permitted to say is that the letter is a personal reply from the Governor, and bears his signature.

Blackshirts and Black Outlooks.

We suggest that readers who come in contact with Sir Oswald Mosley's blackshirt officers and men might call their attention to cables sent from Rome by Reuter and the British United Press on May 27 (see report in the *News-Chronicle* dated May 28, p. 13). For just at the time when Sir Oswald is enjoining the British public to "watch Italy" for guidance on constructive policy, Signor Mussolini is enjoining the Italian public to "watch Britain" for such guidance. Thus:—

"Britain was held up as an example to Fascist Italy by Signor Mussolini in a speech to the Chamber of Deputies on Italy's financial troubles."

That is a pretty rich joke. The mutual setting and following of good examples at one and the same time seems to require spectacular feats of contortionism. If Sir Oswald's defenders try to explain the joke away they can only do so by laying themselves open to another kind of challenge. They are entitled to argue that Sir Oswald is not swallowing Italian Fascist policy whole, but only the "excellent parts" of it, as the curate said—and that Signor Mussolini is doing likewise with the British Government's policy. Agreed: but what are the excellent parts which Signor Mussolini selects for public approval. They are indicated in the following passage:

"The English temple had three columns—the dynasty, the Navy, and the pound sterling. At a certain moment one of these crumbled."

"In any other country . . . people would have rushed to the bank counters . . . or rushed to buy things in order to have something tangible."

"This did not happen in London. The Englishman was a bit dazed . . . but . . . displayed a magnificent calm . . . rare qualities of character . . ." etc., etc.

In brief, the Englishman trusted the bankers.

Now, why does Signor Mussolini hold this trustfulness up as an example. The answer lies in the following passages:—

"Italy is faced with two grave financial problems—a deficit of approximately £66,000,000 in the budget for the current financial year, and an estimated deficit of nearly £50,000,000 in the trade balance for the same year."

"Taxation has reached its limit. . . . One way of finding relief is to bring down the internal cost of production to that of world prices, and to make this possible Italian workmen must be prepared to take lower wages." (It may be mentioned incidentally that in the same speech the Duce announced that new grants would be made amounting to £33,000,000 for strengthening the navy and air force.)

It now becomes clear that Signor Mussolini, having made revolutionary changes in economic administration, is preparing to allow the whole mechanism of it to be run under orthodox financial policy. Imperial Caesar, dead and turned to clay, did at least function as a useful draught-excluder: but it is quite another picture to see the liberties of the people of the land of the Caesars beaten into a corporate lump to stop the last leak in the Money Monopoly.

Signor Mussolini has his Corporate State, and now aspires to have a balanced budget. In this country, where there is a balanced budget, Sir Oswald Mosley aspires to have a Corporate State. At present Sir Oswald can truly say, as he does, that his policy does not involve the slavish copying of the Italian model. Quite so—as we now see that model. But in prospect there is no difference at all between the two. A Corporate State about to be perfected by sound financial direction is precisely the same thing as sound financial direction about to be perfected by the Corporate State. Or, as Mr. Montagu Norman might say, there is no difference between Tweedledum's meeting Tweedledee, and Tweedledee's meeting Tweedledum: the result in either case is Tweedledum and Tweedledee, or, for short, just Tweedle: so you might dub all Blackshirts Tweedle-shirts.

Readers of Major Douglas's addresses in Australia and New Zealand will see how Sir Oswald Mosley and Signor Mussolini are, each in his own way, unwitting agents of the policy of International Finance, which is to complete its impregnability by capturing the machinery of politico-economic administration before it can be challenged. In exchanging compliments, implicit or explicit, with each other, these two Fascist apostles mouthpieces of "deep calling unto deep," or rather deep passing the buck to deep.

We have no space to deal with the technical aspects of Signor Mussolini's declarations except to say that the "Dictator" who speaks at this time of day of a budget deficit and an adverse trade balance as "grave problems" ought to be buried in the grave where such problems cease from troubling and their fears are laid at rest. The smiling black potentate who assured the Reading: "We have no deficit, because we have no Budget" was worth all the world's Dictators put together.

The Films.

"The House of Rothschild." Twentieth Century Pictures Production. Directed by Alfred Werker. Tivoli.

Every reader of THE NEW AGE should see this film, which carries the glorification of the banker a stage further than Hollywood has yet done. The time is the Napoleonic Era, but in place of the Corsican's strictures on the financiers bankers (quoted in this journal some months ago) we have the Rotarian ideal of "Service not Self"—service at a 10 per cent. profit. The film is also so plentifully seasoned with Jewish and anti-Nazi propaganda, that it might be called Hollywood's gesture to Hitlerism. The average audience however, disregard the propaganda for the entertainment. It has the characteristic quality of all George Arliss's pictures of being more photo-play than cinema, but it is excellent photo-play, and Mr. Arliss excels even his impersonation of Disraeli. Shut your eyes—and ears—when Loretta Young come on the screen; a totally unnecessary love episode is not made any more convincing by Miss Young's lack of acting ability, and the American audience breaking into what is otherwise an almost all-English case. Incidentally, English newspapers of 1815 neither printed the "stories" under triple headlines, nor used such Americanisms as "bid" for "tender."

Definitely one of the films of the year.

"Say it With Flowers." Real Art Production. Directed by John Baxter. General Release.

Here is a film with almost every conceivable fault, that manages, largely on account of its sincerity, to be astoundingly good. And it is definitely the most English talking film yet made. Its defects include stagey acting—as in the same director's "Doss House," excessively photographic dialogue, a too static camera, too many close-ups, and sequences held far too long. Yet Baxter has at last done what no other director has yet attempted, and put London on the screen—the London of market gardens and workmen's coffee-shops, of Berwick and Spitalfields markets, of old music-hall, the coster, the fried-fish shop, the "friendly lead," the pub. Baxter knows and loves his Cockney, and he has given us a series of sketches of London life that despite all their cinematic blemishes, make this picture one of the most encouraging productions that our studios have made during the past three years.

WORTH SEEING.

Eisenstein's "Potemkin" is to be given at the Kingsway (small) Hall for six performances on June 8 and 9.

"Flying Down to Rio" (Regal). Fred Astaire and Dolores del Rio in a song and dance and leg show with some novel effects.

"Manhattan Melodrama" (Empire). First-class melodrama. William Powell and Clark Gable succeed in making convincing the incredible antique Roman virtue of the Governor of New York, and the even more incredible inverted Sydney Cartonism of the gambler-racketeer-murderer who cheerfully goes to execution—and refuses a reprieve for the sake of the Governor's political career. Dramatic scene in Sing Sing prison as the lights flicker when the current is turned on for Mr. Gable's electrocution. Brilliant camera work by James Wong Howe.

DAVID OCKHAM.

Formulae as "Jargon."

I.

In the *Star* of May 24 a large advertisement by the Pearl Assurance Company appears. It commences with the following formula:—

$$\int_0^{\infty} v^t \cdot h_{[x]} \cdot \mu_{[x]+t} \cdot dt + 2 \int_0^{\infty} v^{t+\frac{1}{2}} \cdot h_{[x]} / \mu_{[x]+t} \cdot \bar{a}_{\overline{n-t}} \cdot dt = \bar{A}_{[x]} + 2 v^{\frac{1}{2}} (\bar{a}_{\overline{n}} - \bar{a}_{[x]:\overline{n}})$$

Immediately following come these passages:—

"This may mean nothing to you but it may mean everything to your family."
 "This actuarial formula symbolises the value of the guaranteed benefits of the 'Family First' policy, by means of which you can provide for your dependents such benefits as these:—"
 The "these" consist of particulars of the cash value of your death to your survivors in certain given circumstances.

II.

In a paper prepared by Major Douglas for the Liverpool Engineering Society's session of January 19, 1927, and entitled *The Engineering of Distribution* occur the following formulae:—

$$I. \frac{d(x+y)}{dt} \quad II. \frac{d(x+y) - dy}{dt}$$

These may mean nothing to you, but they may mean everything to your family. These mathematical formulae symbolise the value of the guaranteed benefits of the "Consumption First" policy, by means of which your effective demand will enable industry to provide for yourself and dependents while you are still alive.

III.

In the Circular for February 10, 1934, issued by the National Bank of Australasia, Ltd., and in an article therein entitled "Social Credit," appears the following passage:—

"Major Douglas was so fortunate as to have enunciated certain confused principles which, as the uninformed deepened, exactly filled the void to many an unthinker to be a flash of supreme genius. Austin Hopkinson once wrote:

"People are apt to regard as inspired any doctrine which they cannot understand, particularly when it is expressed with the frequent use of mathematical formulae."
 "These words . . . go to the very root of the cult of 'social credit.' Major Douglas's theories are accepted because they are not understood, and because the introduction of the A + B Theorem and other sounding jargon gives them an authoritative and scholarly air which is utterly out of harmony with their real quality. . . ."

IV.

Even to the most untutored eye the mere inspection of the two sets of formulae cannot fail to establish which is the pearl and which the pigwash. Who can resist the impulse to bow the knee in adoration of the mystery enshrined in the actuaries' Kabbalistic shorthand? On the other hand, what man so mean as to do reverence to the all-too-schoolboyish fumbling with algebraic expressions that stands revealed in the latter formulae? These look as if they meant something—and that is almost conclusive proof of their meaninglessness. And what completes the proof is that Major Douglas tries to explain what they mean. In these profound regions of research, explanations condemn themselves as excuses. They betray a lack of confidence. Who, for example, would have ever grasped, as everybody does to-day, the content and implications of that brilliant scientific concept: "Reflation," had its propounders attempted to define it? They did no such thing: they recited the symbol in that spirit of aloofness which commands conviction and said: "This may mean nothing to you, but it may mean everything to the Human Family." The prophetic insight behind that cautious assurance has since been crowned by fulfilment. "Reflation" to-day does mean everything to the Human Family, for it means anything to any member of that family.

Let no one be deceived by the superficial significance of the words used by Mr. Austin Hopkinson, and those of his approving commentator. At a casual glance they might seem to suggest that an unintelligible expression of an alleged truth constituted "jargon" in the sense that it hid a misapprehension of the real truth or a belief in a real falsity. But to draw that conclusion would be a grave error. Truth is absolute; and the expression of it must take one of two extreme forms: it must be completely intelligible or it must be completely unintelligible. Truth abhors compromise. And this is where Major Douglas falls—between these two stools. He does not realise that a mathematical formulation of truth is a thing in itself, and that it either proves itself by itself or it fails to prove anything. His attempt to elucidate his formulae shows that he distrusts them, and therefore spares wise men the time and trouble of examining them. At any rate, that is what Mr. Hopkinson would seem to be suggesting.

V.

Coming to practical matters, and discussing them in a practical manner, there is one final argument for the soundness of the actuaries' calculus; and it is that insurance companies can make bets on the basis of it with the certainty of winning. The proof of the actuaries' "jargon" lies in the insurance companies' reserves. The actuaries' formula, as is claimed in the advertisement, symbolises the value of certain policies; and the insurance companies' balance-sheets measure that value. What can be measured must exist; so there is no catch about the "guarantee" of benefits—at least, so long as the rate of flow of departures from this world keeps in step, as Mr. Keynes might say, with the safe rate of liquefaction of assets in the money-market.

VI.

And now we had better satisfy the curiosity of readers who never read Major Douglas's paper about what he said. Briefly, the formula No. I. expressed the flow of prices from the industrial system; while the formula No. II. expressed the flow of purchasing power. The two viewed in comparison showed an excess rate in No. I. over that in No. II., and accordingly he commented: "This is the now fairly well-known A + B Theorem."

The immediate context was a hypothetical illustration of how someone with £1,000 could hire workmen to build a factory, sell it to them for the £1,000, hire them again to equip the factory, sell them the equipment, take them into partnership with their £1,000, when all of them could make motor-cars, of receiving, of course, the £1,000 as remuneration. The illustration was accom-

panied by a table, showing, by means of arrows, the shuttlecocking of this £1,000 between the Production side, marked "Y" in the table, to the Consumption side, marked "X" in the table. At the end of the three stages there was £3,000 cost on the "Y" side and only £1,000 on the "X" side of the account.

"It is evident," Major Douglas proceeded, "that while each industrial process produces a body of prices which is the sum of all the costs (both direct money disbursements and book charges) in the direction Y to X, the amount of purchasing power in the hands of individuals at any moment is only the amount represented by the integration of the money flow from Y to X, minus the flow from X to Y."

"Put in more exact form the rate of flow of prices from the industrial system is $\frac{d(x+y)}{dt}$ while the rate of flow of purchasing power is $\frac{d(x+y) - dy}{dt}$ "

VII.

In Major Douglas's paper read before the World Engineering Congress in Tokyo some years ago occurred this passage:

"The true cost of a given programme of production is the consumption of all production over an equivalent period of time; i.e., if P = production, C = consumption, and M = money distributed for a given programme of production, the true cost of this programme is not M, but

$$M \times \frac{T_2 \frac{dC}{dt} dt}{T_1 \frac{dP}{dt} dt}$$

which is:—

$$M \times \frac{\text{mean consumption rate for selected period}}{\text{mean production rate for selected period}}$$

"In other words, true cost is less than money cost."

In still other words, the formula may mean nothing to you, but what it expresses means that you, your family and the community generally have been overcharged for, or under-supplied with, goods and services to which you were entitled, dating back over a period which can be taken as commencing with the advent of machine production. It establishes your title to reimbursement, and embodies the appropriate method of restitution.

VIII.

Another formula can be cited:

$$TC = MC \times y$$

which expresses the fact that True Cost is equal to Money Cost multiplied by a factor of loss in conversion, designated by "y," "y" being less than unity.

IX.

The term "loss in conversion" covers both consumption by persons and waste of energy and material incidental to processes of so-called production—which are really processes of conversion—processes for utilising, and adapting forces and substances existent since God created the world. The divine Physicist and Mathematician finished them on the fourth day. On the fifth He created living beings which, through instinct or reason inherited from His omniscience, were to discover and make use of their inanimate environment with its multitudinous properties and uniformities. On the sixth day appeared the fuel for their faculties—"the green herb for meat." And then, the epochal cycles of economic evolution being synchronised and set in motion: God rested. Thenceforth all these creatures were to learn, as they were fashioned to learn, the sciences and arts of

adaptation, to the end that the potentialities of well-being encompassing them should be made manifest in themselves, and being so manifested, should be a living testimony to the wisdom and love of their Maker. Behold then, the bees, who pay tribute not only to the Divine Provider in their store of honey, but to the Divine Architect of the Universe in the structure of their honey-comb. No rules, squares or compasses do they use: no formulae do they inscribe: such implements and guides are of the essence of their nature: each little insect alights on the flower as a visitant from the Divine Chemist, and darts into the hive a visitant from the Divine Geometer.

"See them swans," said someone to us last week—we were contemplating the water from the river bank—"if they could only speak to us they'd clear up all this b—unemployment nonsense in ten minutes." Our friend is uncouth, illiterate, an addict of hyperbole, and entirely ignorant of economic and financial theories, but he is one of nature's naturalists—there is no fish, bird, or beast of which he does not know its ways and its anatomy; and he seems to arrive at truth with an insight caught, as it were, from his long association with those dumb creatures who enact verities without describing them. "How do you make that out?" we said. "Well; 'tis a manner of speaking, and can't be explained proper. But just you watch them two birds going up-stream—no effort—they might be asleep. And no man never made no oar or rudder like their feet. They feel the currents—feel their way out of the stronger into the weaker when the tide's against them, and the other way round when it's with them. If you are rowing a boat up-stream, and want to save yourself trouble, you get in the wake of a swan if you can, and follow her: she'll show you where the easiest pulling is; she may take you out of your course and make you lose distance, but you'll gain in the end, and don't forget it. She knows where she wants to go and the best way to get there. Of course, there's one thing you'd have to watch out for: she might not be steering for where you wanted to go; and if you followed too close she might ground your boat in some shallows. Still, she'd be your funeral: she hadn't asked you to follow her." We watched the birds he had pointed out; and they did everything in conformity with what he said, gliding along in an apparently effortless and aimless fashion until at last they joined company with other swans half a mile up-stream. Except for their progress being along a horizontal plane they might have been two little balloons ascending into the air in apparent contradiction of the law of gravitation, and following curvatures in the line of ascent according to the play of the light breezes around them. "Beautiful!" our friend exclaimed when the demonstration was accomplished. "Men!" he spat out, "the fools don't know what they want; and wouldn't know how to get it if they did." And there it finished. But he'd said enough. Truly these birds were themselves labour-saving mechanisms in one aspect, and unmistakeable beneficiaries of the saving in another. Desirable method, and achievement were functions of one innate principle of matchless co-ordination. No slides, rules, formulae, or text-books: the way, the truth, and the life were in the centre of their being.

X.

This digression has not led us far from the subject of conversion-losses. It will be noted that where the right to consume is restricted to those who convert, then seeing that consumption is (as laid down above) part of the conversion-loss, it may be said that the object of the converters is to convert with as great a loss of this kind as possible. For the same reason, their object would be to cut down losses of other kinds (unconsumable wastes) as much as possible. Or at least this would be true in a non-monetary economy where men, like swans, would need only to stem the tides of natural obstacles to the attainment of food and other objects of their desire. The lower the proportion of unconsumable waste to the higher that of consumable reckoned in physical terms

But under the present system the bankers' calculus prohibits this idea from being carried out. Instead of waste, in its consumable part, being made accessible by the pricing-system, it is made inaccessible. Consumable waste is made to appear inaccessible and unconsumable by the trick of exhibiting it as an unsaleable glut.

Translated into the formula already cited—
TC = MC × y

the bankers' accounting system neglects "y," or, to put it another way, treats "y" as unity. Their formula would be

$$TC = MC \times 1, \text{ i.e., } TC = MC.$$

This means that what has been wasted (consumed or otherwise) during a period of production represents all that you are entitled to have; and that since you have already had it (the consumable part) or it has disappeared somehow (the other part) there is nothing more for you to have. Physical evidence to the contrary is manifest in gluts all over the world if you ignore money for the moment, but when seen through the spectacles of current pricing principles these gluts appear to be out of reach in exactly the same way as the things you've eaten or destroyed. And to strengthen the illusion you see these gluts being deliberately destroyed at the bidding of bank-ridden Governments. The effect of this operation can be described in terms of the formula as that of raising the factor "y" from something below unity up to unity. It is as if the bankers said to themselves: "Here the true cost will be seen to be a fraction, "y" of the money cost if we don't do something; so let us raise "y" to unity by destroying surpluses and lumping them retrospectively in with the wastes which actually took place during the production period." It is not worked so directly as this, but in principle that is what is happening. It is quite easy, if you have the power to do it, and without anyone noticing you, for you to get say 10 units of material converted with a wastage of 3 consumed and 2 destroyed, making a total wastage of 5, and leaving a "glut" of 5, and then to destroy the glut and pretend that it formed part of the consumption and destruction which took place during the period of conversion. In that case physical consumption and destruction would be registered as having proceeded at the same rate as production, and therefore the bankers' formula, TC = MC would correctly express the situation, whereas without such an artifice having been adopted, TC would have been correctly expressed as equal to MC × 1/2, indicating in practice under a Social Credit system that consumers had been paying double rates for their interim consumption and were now due to receive back the excess charge either as a discount off prices or as a dividend earmarked to pay them.

XI.

So it will be seen that the views of Mr. Hopkinson, if he intended them to apply to Major Douglas (which was not made clear in the Circular), are completely beside the mark. Major Douglas's formulae, far from being mathematical "jargon" advanced to distract attention from, or to defeat exposure of, unverifiable theories, were advanced as, so to speak, shorthand reminders of verifiable facts already adduced and related. We need not stress this any further, because the theme set for this article belongs more to the category of polemical strategy than to that of technical exposition. And its obvious moral is that in public controversy between two opposing sets of protagonists what is sauce for the goose is sauce for the gander. The Pearl Assurance Company have therefore performed a salutary service in providing us, as they have done in their advertisement, with an effective retort to those critics who would have the public believe that unintelligibility is necessarily imposed on us, innocent or otherwise. In company with the actaries we may affirm, with equal confidence to theirs, that though the expression of a theorem may "mean nothing to you" the application of it "may mean everything to your family."

"The Mustardarius"

By "Old and Crusted."

—economic determinism is to-day a god before whom we all fall down and worship with all kinds of music. I believe that these matters may ultimately be determined by what people want; that when anything is generally accepted as desirable, economic laws can be upset in order to achieve it; that it does not so much matter at present whether any means put forward are practical, as whether the aim is a good aim, and the alternatives intolerable.

Tradition may be conceived as a by-product of right living, not to be aimed at directly. It is of the blood, so to speak, rather than of the brain: it is the means by which the vitality of the past enriches the life of the present. (After *Strange Gods*. T. S. ELIOT.)

Hospites Tamquam Christus Suscipiantur. (Rule of St. Benedict.)

After an intimate exchange of personalities with a dear friend—one of those rare elective affinities one meets only now and again on the latter stages of the Pilgrims' Way—it was mutually agreed before parting that we were both God's poor fools, no four-hooped pots of erudition, but merely little noggins of knowledge running about two score to the gallon.

Now the chief difference between me and my dear friend, to whom I will refer as D. F. to save vain repetitions (trusting the abbreviation will not be misinterpreted) is just this. Whereas I am a mere dreamer of dreams, a dyed-in-the-yarn traditionalist with a tendency to orthodoxy in everything save finance, so unskilled in the use of mechanical appliances that the opening of a tin of sardines or the hammering in of a nail rarely has a happy issue, D. F. is by way of being an iconoclast and a man of his hands, a noble carver of wood and a skilled carpenter. He is a great manipulator of tools and will tell you with glee how, in mending a table leg, he used as many as fifty different implements. Also he is a gardener of high degree, at least as far as the culture of flowers and shrubs is concerned. Vegetable growing he sniffs at as mere belly-gardening, and the strenuous pomological efforts of a neighbour he dismisses as factory-gardening.

Take him all round, D. F. is a man to be envied. Consider how well placed he would be if we were suddenly precipitated into the age of leisure and all mankind's little barques of happiness were bowling merrily over a placid sea into the haven where they would be. All D. F. would have to do would be to carry on until the nearest town demolition committee appointed him director of landscape gardening, or the vicar of his parish begged him to supervise the restoration of a thirteenth century rood-screen. He would be assured of congenial and probably highly remunerated employment and finally pass to a higher plane full of years and honours with all the splendour of a public funeral. But how would this dreamer of dreams, this dabbler in words, be affected if after completing the few hours of machine-tenting he might be called upon to do he was still haunted by a desire to serve his generation in his day?

True he might volunteer for one of the numerous dirty jobs which the sceptics insist will only be done under compulsion, but as these will certainly be very highly paid and bring great kudos they will be much sought after by the young and ambitious and all who have a strong social pull, he would most likely have to stand idly by whilst the Duke's heir emptied the dust bin and the Lady Emyntrude bathed the chauffeur's baby. Perhaps tradition would come to his assistance.

It is an old saying that coming events cast their shadows before them, so the Dean of Canterbury's scheme for luring us to go on pilgrimages in the interests of the unemployed may well be a foreshadowing of what will happen when emancipated humanity has time to look around and go a-hiking in a leisurely manner in harmony with the spacious days ahead. But the Canterbury lambs who are to go frisking about the highways and by-ways of this potential demi-paradise will need housing and feeding; and that means offer-

ing a rich opportunity for a revival of the traditional hospitality once so liberally dispensed by the Religious Houses. We have forgotten how generous and gracious that hospitality was; so listen to the Abbot Gasquet's story in his *English Monastic Life*:—

When word was brought to the guest-master of the arrival of a guest, he was charged forthwith to leave whatever he was about, and to go at once to receive him, as he would Christ Himself. He was to assure him—especially if he were a stranger—of the monastic hospitality, and endeavour from the first to place him at his ease. He was to remember what he would wish to be done in his own regard under similar circumstances, and what he would desire to be done to himself, he was to do to all guests.

And that is how the dusty wayfarer was received in the ages of faith, and how he will be welcomed again when the injunction to "feed my lambs" is obeyed materially and spiritually in a land that knows no longer the casual ward and the doss-house. But the practice of hospitality implies service. Apart from the great dignitaries of the monastery and such important personages as cellarers and brewers there was a host of minor offices filled by humble folk. There were, for example, certain women employed at times by the monastery for the making of pastry, etc., called pudding-wives.

Great care was taken in the selection of these servants, and it was directed that they be always married, sober, of good repute, and honest, that all danger of detraction from evil tongues be avoided.

Can it be that we have here the forbear of the "good plain cook" so urgently sought after and so difficult to find in these days of diminished hospitality?

Then there was "The Salter," who was also called The Mustardarius. He had to see to the supply and preparation of all the mustard used in seasoning the dishes.

The salter was also expected to make some, if not all, the sauces required for certain dishes. At Easter, for instance, he was to prepare "vertsauce" with vinegar for the lamb, if the herb could be found for it; by which it may be supposed that mint-sauce is meant, except that this particular concoction was supposed also to go with mackerel as well as lamb.

Well, well, there is a world of comfort in that for us small fry who have little wit, not much wisdom, and whose fingers are all thumbs. We can at least prepare sauces, dress salads, and fill mustard-pots; so whether it be in the days immediately ahead or in some future reincarnation, it's—me for Mustardarius!

The Green Shirts.

NOTES FROM THE GENERAL SECRETARY.
GREEN SHIRT NATIONAL ASSEMBLY, 1934.

Green Shirt National Assembly, held in camp at Wynch Bottom, Buckinghamshire, from May 19 to May 21, was attended by 123 representatives from the Regional Commands into which England has been divided for organisational purposes. The boundaries of these Commands follow exactly those used by the military authorities.

Of the twenty-two Resolutions on the Agenda, the following may be of interest to Social Credit advocates generally:—

"Intensifying The Agitation."

"That it is more than ever necessary to steer clear of all pseudo-Social-Credit groupings, as indicated in Res. No. 2 National Assembly, 1933, and to intensify the agitation for Douglas Social Credit by every means in our power. (Carried unanimously.)"

"Directing The Agitation."

"That all steps be taken to direct the agitation for Douglas Social Credit:—

"(a) against the Bankers' Combine, and especially against those who operate the policy of the so-called 'Bank of England';

"(b) towards Parliament, in order to harass and disturb Parliamentary candidates, Members of Parliament: the Cabinet, and the Treasury.

"Note: (b) above to include the presentation of the officially approved Green Shirt Petition by various districts to their members of Parliament. (Carried unanimously.)"

The gist of a long and very carefully drafted resolution entitled "Demonstrations" is given in the opening sentence:—

"That the time has arrived to test out systematically the influence of Green Shirt propaganda amongst the wage-earners and the unemployed in various districts by attempting to bring them out with us on the streets, so that the demonstrating masses begin to look to the Green Shirts for a lead and become accustomed to join in with and take an active part in Green Shirt propaganda marches and demonstrations. (Carried unanimously.)"

"Developing A Strong Emotional Drive."

"That every Green Shirt throughout the country, and especially experienced Green Shirt speakers, shall respond to the Head Man's call to develop a strong emotional driving-force from all our street platforms . . . in such a way as to carry the economic logic of Douglas Social Credit on the crest of a tidal wave of mass emotion. (Carried unanimously.)"

"Towards A Green Shirt Nucleus In Every Centre."

"That this National Assembly . . . is convinced that the correct policy to be pursued for the next twelve months is to make every effort towards the establishment of a Green Shirt nucleus composed of at least six reliable men in every great industrialised centre, and in every large town throughout the country. To achieve this end, we urge that Propaganda Squads be sent out from London and the provincial centres more frequently and to a greater number of towns and cities, where, as yet, no Green Shirt Section is functioning. (Carried unanimously.)"

"The Menace Of Fascism."

"That this National Assembly sees in the growth of Finance-Fascism the greatest menace to individual and social liberty, and calls upon every citizen to unite in the fight for economic security for all. (Carried unanimously.)"

"The Working Classes and the Middle Strata."

"That it is essential to lift the emotional tempo of the masses from that of helplessness and defeat to one of hope and fighting determination, and to drive the logic of Social Credit still more deeply into the minds of the wage-earners and the unemployed, thereby winning them over to the Green Shirt line of action. Recognising this as being of fundamental importance, this National Assembly wishes to impress upon all members of the Movement that it is equally essential to bring over to our side all groupings and individuals from the middle strata of society able to throw in their lot and make common cause with the economic struggle of the people; and that steps be taken to achieve this end. (Carried unanimously.)"

Full discussion took place on the resolutions submitted.

This year's National Assembly of representatives drawn from north, south, east, and west, showed unmistakably one main "theme" running not only through the proceedings of the General Meeting, but also through the informal meeting of officers and provincial members held on Monday morning, May 21, and it was reflected in private conversations and discussions between individuals during free time throughout the Whit week-end. This "theme," as one may call it, can be indicated by the following snatches:—

"We must intensify the agitation."

"We must open up the emotional appeal full throttle."

"We must spread to every centre."

"We must win over the masses to our side."

"We must develop a policy of incessant pin-pricks—

we must pester M.P.'s and worry the Bankers. We must

heckle any speaker who attempts to uphold or excuse the

present economic system, or who sidetracks or confuses

Douglas Social Credit."

It was, in fact, in more marked degree than ever before, a National Assembly of Social Credit Agitators bent upon finding ways and means of intensifying the agitation.

The Annual Report of the Green Shirt Movement for 1933-34 showed this same development going on in the activities of the various Sections. It is hoped that this Report will be printed and published, as was last year's.

Replies have now been received from the Prime Minister and the Governor of the Bank of England, and we expect to make a further statement regarding the results of our action of May 14 in due course. F. G.

The Point of the Pen.

By R. Laugler.

No. 2: ARE WE BETRAYED?

Accompanied by its nurse a child is playing beneath a tree: a branch of the tree flies back, and strikes the child, whose face immediately puckers in dismay at this outrageous assault, this blind malice of nature. Gravely the child resolves to cry. But at this moment the nurse steps forward. Saying, with extreme coldness, "Naughty tree!" she strikes the offending branch. And instantly the child forgets tears. The emotions of pain and fear are driven out by overwhelming hate. The child, too, hits the tree; the child, too, delivers verbal judgment. *An enemy has been found.*

It is to the great honour and glory of Major C. H. Douglas, founder of Social Credit, that, in examining this welter of confusion and misery which characterises our social life, he discovers no foe. It would have been so easy. The scapegoat is so obviously at hand. But the loftiness of a high philosophy, as well as political wisdom, both dictate that there should be no specified human enemy.

Monsieur Julien Benda has thought differently. He is of the school which sees in contemporary life, and in recorded history, a dreary and sordid betrayal of the people by those who pretend to be their leaders. The theory is extremely plausible. When small men gain power they abuse that power: most people desire to control the lives of others, to dictate, to exploit. . . .

The theory that humanity has been betrayed is, to many sufferers, an attractive theory. So many facts appear to prove its truth: but "facts," like figures, are queer, flexible things. Cannot anything be proved by history and economics?

It is when it comes to naming the enemy that difficulties arise. If it is true to say that the Kingdom of Heaven is within, will it not also be correct to affirm the same thing of the Empire of Hell? Were we ever betrayed without half betraying ourselves? A confidence trickster can only deceive the cunning and greedy man; a simple, honest fellow would not be taken in.

Monsieur Benda declares that the "learned clerks," the intellectuals, have betrayed society, and he names certain artists. I admit that, to me, this is a very extraordinary hypothesis. I had imagined that, of all sufferers under industrialism, the artist is the most victimised. I can see nothing in the organisation of modern society likely to be desirable to any true artist. I see nothing that profits the artist. I see only a progress towards his ostracism and ruin. To my mind the artist under Big Business is like a spavined hack thrust into the *corrida*: the animal is blindfolded and its vocal chords are cut lest its screams of pain should annoy the crowd.

But had Monsieur Benda reproached the scientists it seems to me such an indictment would carry more weight. Scientists tell us that it is their business to measure accurately: then why have they not measured the one thing which evaluates pragmatic human life? Years ago, on the editorial staff of an encyclopædia, I was taught to "verify my authorities." An obviously necessary precaution. But, in financial matters scientists do not verify their authorities. They accept Pawnbroker, as one might take the rules of card-play: there are times when my suspicions concerning scientists have bordered upon the brutal. At such moments I ask myself whether applied science has not made millions of factors entering into this matter of unscientific blindness.

Admitting that Finance in complete power will ruin science, yet in the progress of coming to power, the men of money have enriched many scientists. On the other hand, every step in the industrialisation and mechanisation of life ruins the true artist.

It was probably a financier who started the notion that talking about money was "vulgar" and "sor-

did." But the Pawnbroker is anything but a "learned clerk." His furtive little desires, his parasitic meanness, and his illusions of grandeur have been exposed by authors for centuries. (Such psychology is, I think, best presented in that fine American play, "Hell Bent For Heaven.") The Pawnbrokers, surely, could not have brought the civilised world to ruin, unless the world had been a half-consenting party?

Agriculture and Finance.

I have great pleasure in replying to the very courteous letter of your correspondent, Mr. Montague Fordham, F.R.Econ.S., inserted in your issue of May 17, in which he suggests that my quotations of the prices of wheat and land are somewhat out of date.

The Wheat and the Marketing Acts that he mentions can be put alongside the Tithe Bill as all designed with one principal object, to throw dust in the eyes of the public. In my article I purposely omitted mention of those because they open too wide a field, having deluded the public as a first object the second purpose is to impress the farmer he must live on Government charity, a condition the farmer hotly resents. I am afraid our friend does not quite understand the Wheat Act, which he believes had somehow enacted a standard price for wheat. The main provisions provide that if the farmers of Great Britain and Northern Ireland restrict their output to 6,000,000 quarters the Government will make up the difference between the price realised and 45s. per quarter for wheat certified as of millable quality. The income of the Wheat Fund established under the Act was £4,778,000, and total payment, including administration expenses, £4,510,000 (N.F.U. Year Book, p. 270) for the wheat year ended July 31, 1933. Not even a sea lawyer can estimate the standard price for this year, it depends on the total quantity produced. I have heard the price guessed at 30s. If this "standard" price which has apparently deceived our friend, had actually raised the price of the principal cereal, then the price of beans, oats, beef, and hay would have gone up too, which they certainly have not.

Here follows an extract from the *Essex Farmers' Journal* for May, written by the greatest authority in East Anglia:—

With the decreased supply of English wheat the market has been firm during the past few days, and prices ranging from 21s. to 23s. have been realised to buyers for poultry. Millers are indisposed to follow the advance in view of the cheap offers of Polish and other Continental wheats. Reports of conditions in North America indicate a probable reduction in the crops, but the carry-over of wheat in Canada and the United States, together with considerable surplus in the Argentine, is still militating against any material increase in prices.

The Feeding Stuff market is generally firm but new arrivals of Maize, which have been shipped freely during the past three or four weeks, have resulted in a drop of some 2s.

By an inspection of the books of a large firm of corn merchants operating near London, in the dearest part of Essex, I have obtained the following averages for wheat of millable quality:—

February, 1934	19s. 9½d.
March, 1934	19s. 5d.
April, 1934	19s. 6½d.

The above gives an average of under 18s. per quarter for wheat at Norfolk and Suffolk farms.

Mr. Fordham suggests that the Marketing Acts have raised the price of land and I disagree. It is my desire to make this letter of interest and value to my fellow readers and the main purpose of my article was to create a farming atmosphere, merely mentioning that freehold farms can now be bought at £5 an acre. Personal justification at the best of times may be a virtue of the old lady next door, but is of no general import. When a farmer goes to buy a farm he looks at the land and decides from the weeds growing on it what crops are

best raised there and the degree of cultivation the land is in. He may look at the buildings, the implement sheds, stables, barns, cow sheds, dairy and so on, but very likely forgets the dwelling house. The townsman, however, makes a bee line for the house, how many bedrooms, company's water, main drainage, etc., leaving the principal consideration of public importance, the land, as a detail. No wonder he is easily deceived by the recent Marketing Acts, the whole batch are now looked upon by farmers with unqualified contempt. The Sugar Beet Act established sugar factories as a bankers ramp to receive sugar beet free with a thumping cash payment on top of that, certainly not a business proposition. The bacon factory stunt is in the same rotten old barge. Just recently the inspector from the Dunmow factory inspected twenty pigs on a farm, passed them and ordered their dispatch to Chippenham, twelve were paid for at "standard" price, eight were put at 4d. per lb and described as too fat on the shoulders. The Milk Marketing Board are now deducting 10 per cent. gross from the standard price of milk and considering that 5 per cent. on his sale of milk means affluence to a farmer I leave it at that. Lord Beaverbrook's principal agent has been inquiring the cost of putting farms into full capacity and in one case it was very carefully estimated that the cost of repairing fences, cleaning ditches, land draining and the rest would come out at not less than £80 per acre. If my readers will kindly compare that with my original article they will clearly see that the above estimate is the dominating factor influencing the present price of land and not those Marketing Acts (I can only mention them with loathing) that take their appointment perspective in the long years of repression that British agriculture has been subjected to. It is more than ever obvious now that the ruin of British agriculture was of paramount necessity to the Money Monopoly of New York, the Corn Production Act was repealed at the instigation of that seat of Credit Culture.

Very occasionally we get an agricultural problem discussed from a disinterested point of view, as instance the quota system as expounded in the *Midland Bank Review* of March-April, 1932, since when the word quota has been divorced from its proper meaning to something entirely opposite to that propounded in the *Review*.

In conclusion I would respectfully remind Mr. Montague Fordham that the proper way to find out the price of agricultural land is to buy some. I put in a trunk call to a firm of county conveyancing solicitors who immediately gave me a firm offer of 2,000 acres at £5 an acre freehold farm land, and more if I wanted it. The house and buildings are thrown in, of course, but I do not suppose they have had anything done to them for the last fourteen years. Let Mr. Fordham buy this if he thinks land is getting dearer and if he shows palpable signs of meaning business I will introduce him. This is the only inquiry I have made, an answer to that kind of question is quite a personal favour. V.I.90.

Forthcoming Meetings.

The New Age Club.

[Open to visitors on Wednesdays from 6 to 9 p.m. at the Lincoln's Inn Restaurant (downstairs), 305, High Holborn, W.C., (south side), opposite the First Avenue Hotel and near to Chancery-lane and Holborn tube stations.]

Dublin.

Lectures at Clubroom, Red Bank Restaurant, D'Olier Street, at 8 p.m. Admission 6d.

No. 7.—*Social Credit in Practice*. June 1. The Douglas Social Credit Scheme for Scotland—The Social Credit State—Exports and Imports. Lecturer: Mr. T. Kennedy. Chairman: E. Hickson.

Glasgow Douglas Social Credit Association.

During summer months, members meet for informal discussion each Thursday evening, 8 o'clock, Cranston's Smoke Room, Renfield-street, Glasgow. Communications to H. C. Munro, 6, Greenlodge-terrace, Glasgow, S.E.

"News Chronicle" Articles.

In connection with these articles, the following communications have taken place between Major Douglas, the *News Chronicle*, and Mr. Bardsley, of the Social Credit Secretariat, respectively:—

Letter to Major Douglas from the *News Chronicle* (Mr. Gerald Barry).

Dear Major Douglas, May 17, 1934.
You will probably have seen the articles in the *News Chronicle* by Geoffrey Crowther dealing with Social Credit (as a matter of fact, I introduced myself to you the other evening in a number 9 bus).

We are anxious to offer you an opportunity to say what occurs to you with regard to these articles, and we should therefore be glad if you would write us an article of 1,200 words in reply to Mr. Crowther, which we should like to publish at the earliest possible date.

Perhaps you would be good enough to let me have an immediate reply confirming your agreement to write?

Yours sincerely,

Gerald Barry.

(Mr. Barry spoke to Major Douglas in the circumstances mentioned in the above letter, and asked him if he would permit the *News Chronicle*, which proposed to print four articles on Social Credit by Mr. Crowther, to say that Major Douglas welcomed inquiry into Social Credit. Major Douglas said he had not heard of the articles, did not know Mr. Geoffrey Crowther, and could not under the circumstances allow himself to be quoted in the matter or to express any opinion as to whether he would take any notice of the articles.)

Letter from Major Douglas to the *News Chronicle* (Mr. G. Barry).

Dear Mr. Barry, May 18, 1934.
Thank you for your letter of May 17.

While I have not read Mr. Crowther's articles very closely, as they are in the nature of an attack, they would obviously seem to call for some reply, though not, I think, necessarily from myself, and I should suggest that Mr. Bardsley, the secretary of the Social Credit Secretariat, should be asked to write such a reply. Since the attack covers about four thousand words, it would seem reasonable to suggest that, should he require it, an approximately similar amount of space should be allowed to him for this reply.

If you would like to have an article from myself upon the general subject, I shall be happy to write you one of about the length you suggest, for which my charge would be twelve guineas.

Yours sincerely,

C. H. Douglas.

Memorandum of telephone conversation between Mr. Barry and Major Douglas's Private Secretary, May 18, 1934.

Mr. Barry said that the *News Chronicle* could not afford the space for four articles by Mr. Bardsley as well as an article by Major Douglas, and thought that if Major Douglas wrote an article on the general subject, it would meet the case. He would be glad to have the article while interest in the subject was maintained, and would like to hear from Major Douglas as to how soon he could manage it.

Memorandum of conversation between Major Douglas and Mr. Barry.

Major Douglas said that his willingness to write an article for the *News Chronicle* was, as suggested in his letter, dependent on the *News Chronicle* affording space at least equal to that of the attack, for a reply by Mr. Bardsley, of the Social Credit Secretariat. Mr. Barry then asked for Mr. Bardsley's telephone number, which was given him, and suggested that the question of a reply by Major Douglas should be left over until after the publication of a reply by Mr. Bardsley.

Memorandum of conversation between Mr. Bardsley and Mr. Barry.

About 3.30 p.m. on Friday, May 18, being the day on which the last of Mr. Crowther's articles appeared, and being immediately before the Whitsun holiday, Mr. Barry, of the *News Chronicle*, telephoned to the Social Credit Secretariat office, and asked whether, arising out of negotiations he had had with Major Douglas, Mr. Bardsley would be willing to write an article in reply to Mr. Crowther. Mr. Bardsley asked whether he should receive the same space for reply, and Mr. Barry said that was rather difficult; he thought Mr. Bardsley could have about 2,000 words; that is to say, two articles of about 1,000 words each.

He asked Mr. Bardsley to let him have the article on Tuesday morning, the 22nd inst. Mr. Bardsley pointed

out the short notice, and said he could probably manage Wednesday. With regard to a separate article by Major Douglas, Mr. Barry informed Mr. Bardsley that they had not yet decided upon it. Mr. Bardsley indicated that he would be willing to consider the proposition, and would ring him up again. Mr. Bardsley discussed the offer with Major Douglas, who told him that he was indifferent in regard to the article by himself, and agreed that Mr. Bardsley should continue negotiations independently.

Mr. Bardsley then telephoned Mr. Barry, and pointed out that in the short time available he might have some difficulty in limiting his reply to Mr. Crowther's arguments to 2,200 words, but that he was willing to write the article on the understanding that, whilst he would endeavour to confine himself to 2,200 words, if he were unable to do so, they would give him space up to 3,300 words. After consultation with the Editor, Mr. Barry informed Mr. Bardsley that they would only allot 1,400 words; that is to say, two full columns either on one or two days. On these terms Mr. Bardsley refused to write the article.

Memorandum by Major Douglas, May 24, 1934.

A copy of the foregoing was sent to Mr. Barry in case he should have any comment to make upon the facts, and was acknowledged by him without comment.

I agree with Mr. Bardsley's action in the matter, and consider that, while it would be easy to overrate the importance of newspaper comment, either unfavourable or otherwise, any attacks should only receive official notice by the Secretariat on the understanding that not less favourable conditions for reply should be conceded than are allowed to the attack.

Music.

The outstanding Parlophone records for April are undoubtedly, to my mind Gerhard Hüsch's singing of a couple of songs by one Hans Hermann, a composer whose name is hitherto unknown to me, and a piano record by Eileen Joyce of the "Danse d'Olaf" of Piek-Mangiagalli. The former is a splendid piece of singing, by a bass-baritone whose voice has marked resemblance to that of Schorr at his best, a fine broad heroic style, and admirable vocalism. Eileen Joyce, however, is more than something of a phenomenon. As sheer pianism, one hardly hesitates to say that there is no living woman pianist who can touch her. She is, it appears, quite young, and was till recently unknown, until a series of astonishing records issued from the Parlophone Co., of her remarkable playing. The technique is consummate, the vitality, rhythmic verve, crispness, and nervous force truly amazing, and as a whole the playing has not a little of the qualities that distinguish that of Horowitz; and how high that praise is, only those who know this magnificent pianist's art can realise. I really exhort everyone who can appreciate and understand records by Miss Joyce they can lay their hands on. The Lotte Lehmann record of the lovely "Salce" from German, and is disfigured and caricatured by being sung in efforts. He is very far from one of the singer's best. The whole is forced and laboured. Vladimir Macabre's records of a curious vocal version of the "Danse Macabre" of Saint-Saens, and one by Herbert Hughes, "My Father Has Some Very Fine Sheep," are typical specimens of the quasi-parlando methods of those who "intend" to be too much and who sing too little. I have never been able to make up my mind whether M. Rozing is a tenor or a baritone, and I am no nearer a decision after hearing these records.

From the Decca Company there comes a record of a "Largo al Factotum," with a great reputation, Schlusnus, in the title. This is a dashing, bold, robust performance, quite lacking in any sort of vocal finesse such as Amato puts into it, in that splendid old H.M.V. record, but very effective, if one does not look, or rather listen, too closely.

The same company also send the "Rapsodie Espagnole" of Ravel, one of the composer's best works, but played with a curiously wooden insensitiveness and lack of subtlety by the Lamoureux Orchestra of Paris, under Albert Wolff. Almost entirely lacking are any traces of the elastic Spanish lilt in the rhythms with which the work abounds. It is all very painstaking and careful, but quite uninspiringly, and of the sunny Southern spirit of the work there is hardly a trace. It might be some more than usually spiky-footed German Mach-Musikant rather than, presumably, a Frenchman, at the conductor's desk.

I also do not at all like the Berlin Philharmonic—Alois Melichar conducting—in the first of the Brandenburg Concerti. If an example of the way in which not to do it

were wanted, here it is, and I would like to force any budding Bach merchant to listen attentively to this recording of the work, side by side with that of Cortot, and the Ecole Normale orchestra already described. The reading is pedantic, laboured, heavy footed, and plastered over with entirely superfluous and tasteless expression, in the more sentimental German manner, particularly in the fourth movement. These people cannot or will not realise that all the necessary "Expression" in the music of Bach is implicit in the very stuff of the music itself, it disengages itself as naturally and inevitably, left to itself, as the aroma of burning sandal-wood. No need at all to pour more over it. But a sense of proportion is hardly a thing that one would look for in a routine German conductor.

And if the playing of Alfred Sittard in a Bach Prelude in E minor, on the back of the last record of this same Brandenburg Concerto is at all typical of contemporary German organ playing, it is a revelation how far inferior are both players and instruments to those of England. The tone of the instrument is harsh, hard, and crude, the registration wholly without taste or fineness of gradation, and the playing heavy, lumpy, and without articulated rhythm.

I hasten to add that in all cases the actual recording is excellent, vivid, and lifelike; indeed, the actuality of the organ tone, in this last record was surprising.

KAIKHOSRU SORABJI.

LETTERS TO THE EDITOR.

"NO DEFICIENCY."

Sir,—Mr. Geoffrey Crowther concludes a remarkable exposition of the Social Credit Doctrine in to-day's (May 18th) *News-Chronicle*, with his own personal opinion that there is no deficiency of purchasing power, but only an apparent deficiency, due to the failure of all and sundry (I take it) to spend their entire income.

A sub-editorial in the same issue is devoted to an account of certain eviction proceedings at Clerkenwell County Court, wherein it was stated, that the person to be evicted owed an enormous amount of rent, and was half starved through lack of money.

Further comment is superfluous, unless we may observe that some editors are as deficient in tact as others are in purchasing power. W. WEST.

[Our correspondent's letter carries a peg on which to answer those people who seem to think that one man's investment must necessarily involve another man's poverty. Even if it were assumed for the purpose of argument that invested money was still in private ownership somewhere or other, there would still remain the question of why the refusal of the owner to spend it on consumable goods should be an insuperable (let alone justifiable) obstacle to anyone else's access to the consumption market. This attitude of mind is the product of a sub-conscious notion that consumable wealth constitutes an irreplaceable store instead of being, as it is, or can be (in a physical sense) a ceaseless and ever-accelerating flow. Under the "store" theory, invested money, considered as suspended purchasing power, would, of course, be equivalent to a suspended demand on a fixed supply, and it would seem logical to earmark and reserve such portion of that store as represented the suspended demand, which demand could, in theory, suddenly be exercised when the holders chose to exercise it. This is to conceive the food store much in the same way as the banker regards his gold store, but with far less justification. For whereas a run on gold can happen (because it often has happened) a run on the consumption market by holders of immense sums of suspended money can only be conceived with great difficulty. Otherwise, it is nonsense on the face of it to entertain the proposition that one man's omission to buy goods should directly deprive another of the means of buying them or their equivalent.

The production system, from the physicist's point of view, can be likened to a head of hair, and the distribution system (from the same point of view) to a pair of scissors. You make the hair grow by cutting it. If anybody will reflect upon this in relation to the so-called investment obstacle he will see the absurdity of stopping the cutting of hair because somebody has invested in hair-oil.—ED.]

Notice.

All communications concerning THE NEW AGE should be addressed directly to the Editor:

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

Reviews.

Consumer Credit. By Eimar O'Duffy (with a foreword by the Marquis of Tavistock). Published by the Prosperity League, 36, Gordon Square, W.C.1. 20 pp., price 4d.

This new pamphlet is written to draw the attention of the public to the anomalies in the economic system which have been made familiar in Social Credit literature. In the limited scope allowed him, the author has given a good general idea of the dilemma which Social Credit is designed to unlock, and closes his essay with a paraphrase of the principles laid down by Major Douglas at Swanwick. In an appendix the Prosperity League, of which Lord Tavistock is President, explains its objects and invites support.

A. B.

Psychopathology. By J. Ernest Nicole, L.M.S.S.A., D.P.M.R.C.P., and S. (Baillière, Tindall and Cox. 12s. 6d.)

This is a second edition. The first edition was published in 1930, at which time I reviewed it in these columns. Dr. Nicole's knowledge of psychopathology is far in advance of that of most Medical Officers in Mental Hospitals, and all the conflicting theories and methods of approach, from Freud's to Jung's and from Watson's to Kretschmer's, are fairly and critically reviewed. The biochemical and endocrinological views are also treated, and in this second edition a notable addition is the chapter on "Ethnological and Sociological Evidence."

The book thus assumes encyclopaedic proportions, and is one essentially for the student, and not for the amateur.

N. M.

Important Notice.

NATIONAL CONFERENCE.

A National Social Credit Conference will be held at Buxton, Derbyshire, from Friday evening, June 8, to Monday morning, June 11. (Business Sessions commence at 10.30 on Saturday and end at 4.30 on Sunday.)

Major C. H. Douglas will speak on Social Credit Policy at the Evening Session on Saturday, 9th. Full Discussions on Policy, Propaganda, the Secretariat, other Organisations, etc.

Accommodation from 12s. 6d. to 16s. per day, inclusive. Apply promptly, The Secretary, Social Credit Secretariat, 8-9, Essex Street, London, W.C.2, stating single or double rooms and whether for whole or shorter period. (There is the possibility of lower terms for parties if precise details and length of stay are given.)

In order to avoid disappointment or possible additional expense, earliest possible application for accommodation is necessary.

West Riding Douglas Social Credit Association.

SUMMER SCHOOL.

The Association has taken the Seacroft School for the fortnight, August 4 to August 18. The School is two miles south of the centre of Skegness.

Lecturers include the following:—Lady Clare Annesley, B. J. Boothroyd, Major Dobree, Major Galloway, C. M. Hattersley, R. J. Scrutton, A. L. Gibson and Eimar O'Duffy. Also, possibly, Dr. McNair Wilson.

Inclusive fees range from 52s. 6d. to 73s. per person per week.

Applications for accommodation, accompanied by a deposit of 10s., should be sent as early as possible to the Secretary, S. A. Staples, Wellwood, Swinton, Rotherham. Cheques, etc., payable to the Secretary and crossed Midland Bank.

Publications Received.

The Cape (Cape Town), April 27. Received from a correspondent, but the copy is not marked, nor can we discover anything in it which comes within our province to comment upon.

SUBSCRIPTION RATES.

The Subscription Rates for "The New Age," to any address in Great Britain or abroad, are 30s. for 12 months; 15s. for 6 months; 7s. 6d. for 3 months.

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The Veil of Finance (6d.).

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CREDIT RESEARCH LIBRARY, 70, High Holborn,
— W.C.1.

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, 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 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, and 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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