

THE NEW AGE

INCORPORATING "CREDIT POWER."

A WEEKLY REVIEW OF POLITICS, LITERATURE AND ART

No. 2212] NEW SERIES Vol. LVI. No. 14. THURSDAY, JANUARY 31, 1935. [Registered at the G.P.O. as a Newspaper.] SEVENPENCE

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NOTES OF THE WEEK.

The Indian Constitution.

The table accompanying these comments on the Government of India Bill is intended to present its design and implications in something like their true perspective with the most economical use of language. Readers who happen to be acquainted at first hand with the actual working of our centralised system of Government may prefer to alter the sequential order of some of the items in the table; and most readers will readily notice gaps which might be filled in. But the arrangement and contents as they stand reflect the fundamentals of the present political issue without serious distortion.

* * *

Students of "real politics" know that our system of Government is founded on the principle of delegated authority and diluted responsibility. There is, of course, nothing inherently wrong in this principle—it is essential if there is to be any Government at all in these days. Whether it is right or wrong depends on whether the prime authority, the freeholder of power, is invested with it by the will of the people, and whether the conditions of his delegations of authority (his leasing and sub-leasing of this power) fulfil the purpose which the public desire and expect to see achieved. The issue is one of *purpose*; and the potential evil consists in *cross-purposes*. If the people desire a Government just in order to be governed, no matter how, or for what end, the question of who inspires policy and how he delegates his responsibility is of no practical importance to them. They will be governed all right—and that's that. But directly the people desire a Government as the means to an end, and are persuaded to elect one on the assurance (explicit or implicit) that the prime authority will use his power for that end, the above question of his responsibility and his delegation of it assumes practical importance in the same measure as the results diverge from the desired and expected end. The people need to know, when things go wrong, who is, in fact, the inspirer of policy, whether his policy is, in fact,

their policy, and, if so, at what stage in the leasing and sub-leasing of his authority something happens to defeat the policy.

* * *

This leads to the following plain statement of fact—that the people are governed by a class whose very existence as the supreme Government (let alone whose policy) is not realised by them. As for the policy of this class, it is fundamentally that of making human values subservient to financial values, whereas the policy of the people is fundamentally the exact opposite, being the instinct towards physical survival and the expansion of personality. The ultimate realisation of this financial policy must of necessity mean the de-humanisation of personality—the obliteration, from man, of the image in which God made him.

* * *

"How," once asked a contributor to this journal of a learned constitutional lawyer, "would you say, does the law define a *person* as distinct from money, or concrete property?" His friend thought a moment, and then replied: "Well, I think that the law would define him as an *actionable entity*." That illuminating definition crowns the substance of what we have just been saying. A *person* is a potentially punishable entity: he is a *nonentity* until he becomes punishable. We have derived from this another definition having a closer relationship with finance—namely that of a *person* as a *taxable entity*; and since, in the Social-Credit frame of reference, the word taxation covers not only levies charged by the political government, but the invisible confiscation of purchasing-power inherent in the established costing-system, this definition comprehends the other. Money is the cause of most of the actionable offences that are committed, and it is the medium in which the offender is most frequently compelled to expiate the offence (when he has any money). It will be seen that we have adopted these definitions in the table referred to, and have used them to present the "People" in their three aspects as Taxable Entities in the orbit of financial judgment, as Actionable Entities in the orbit

of military (and police) execution of judgment, and as Nonentities in the orbit of legislation where they are supposed (or suppose themselves) to have a say in deciding who shall tax them or punish them, and for what end.

With this introduction in mind readers will require little guidance as to our intentions in laying out the table. The serial numbers in each of the three left-hand columns express the delegations of authority—or the number of "removes" of authority—or the degrees of dilution of power and attenuation of responsibility—each series of numbers being referable to the function assigned at the top, i.e., financial, political and military, respectively. The figure 1 represents the apex of power in its particular class, and the figures underneath the distances or removes from the apex. So much for the separated vertical readings. But the chief significance of the numbering emerges from the horizontal combined readings. That is because the powers indexed in column 2 are delegated (and subordinate to) those in column 1, and those in column 3 from those in column 2. For Finance dictates the law; the Legislature takes it down in writing; and the Fighting Services uphold it.

Again, the supreme class of power in column 1 while unacknowledged and invisible on the one hand, is all-pervasive on the other. Partly for this reason we have

inserted an unbroken chain of serial numbers in column 1. These serve the useful purpose of rating the real (invisible) status of the authorities indexed in the other two columns, as against their nominal (visible) status.

Take an example or two. Firstly, the British Cabinet's rating is seen to be P.L.1 and also M.E.1. They are the nominal (visible) top-dogs both as regards making laws and enforcing them. But their real rating is seen to be F.I.5. There are four superior ratings which, grouped together, create the general design of the Cabinet's policy by reason of their power to cut off ways and means advances. Secondly, as concerns the Governor-General of India. His rating is P.L.3, meaning that he is two removes below the British Cabinet as a civil authority; and it is M.E.2, meaning that he is second as a military authority. Even so, he is eight removes below the leading authority in the F.I. series. Thirdly, the Governors of Provinces are rated P.L.4 and M.E.3 as regards their acknowledged functional status, and F.I.11 as regards their unacknowledged remoteness from the ultimate source of political initiative resident in the Bank of England.

In the centre section of the table we have used types of differing size to indicate the relative powers of the listed authorities. These explain themselves. More im-

INDIAN CONSTITUTION.

LAW ——— and ——— ORDER.

Financial Inspiration. F.I.* Political Legislation. P.L.† Military Execution. M.E.‡

Table of Precedence in Terms of Real Power.

F.I.*	P.L.†	M.E.‡	Authority.	Functional Responsibility.
1			Mr. Montagu Norman	Banking
2			Sir George May	Investments and Tariffs
3			British Treasury	Budgets
4			Somerset House	Tax-collection
5	1	1	British Cabinet	War Office, Admiralty, and Home Office
6			Indian Finance Minister	—
7	2		Secretary of State for India	—
8			Indian Currency and Tariff Technicians	—
9	3	2	Governor-General of India	Indian Military Services
10			Indian Civil Service	—
11	4	3	Governors of Provinces	Indian Police Services
12	5		Native Indian Government	—
13	6		Native Indian Upper House	—
14	7		Native Indian Lower House	—
15	8		Native Provincial Upper Houses	—
16	9		Native Provincial Lower Houses	—

Great Argument!
("Myself when young did eagerly frequent Doctor and Saint . . .")
("—but evermore . . . out . . . in . . .")

THE PEOPLE

as

Taxable Entities (Financial Inspiration) Nonentities (Political Legislation) Actionable Entities (Military Execution)

portant, we have differentiated between those who are constitutionally recognised (or accepted by the public) as legitimate legislative bodies; and those who rule by stealth either as principals or agents. The former are comprised in the indented lines, and the latter in the lines running out to the margin. Inspection of them in conjunction with the numbering suggests—what is a fact—that those bodies who are popularly thought to be administrators are the real legislators, and those popularly accepted as legislators are virtually no more than administrators. Moreover, at the top of the whole table we have a class not thought of even as administrators, but, on the contrary often attacked by left-wing politicians (as in Australia) on the precise ground that they are a private institution pursuing private ends which, for that reason (!) obstruct official policies. Nothing pleases the bankers better than to see the impression spread round that official policies are sound in themselves and would work all right if banking were nationalised. Probably the only reason why they do not offer to be nationalised is because by appearing to oppose the idea they provide material for innocent agitation by its upholders and so keep the "opinions" of the public well mixed.

Now, if the reader runs his eye down the table he will see that places 1-4, 6, 8 and 10 are filled by ostensible administrators, leaving places 5, 7, 9, and 11-16 for ostensible legislators. The first list, the administrators, represents what may be called the bankers' bureaucracy, and although some bodies in it occupy lower places in the full table than some of the so-called legislative bodies, and in such cases do function on behalf of them, nevertheless they owe a separate direct allegiance, through their respective immediate superiors in their own class, right up to the Bank of England. Thus the Indian Civil Service has a specific and over-riding allegiance to the Indian Currency and Tariff Technicians, and through them to the Finance Minister, and to the Big Four grouping at the top.

Some readers may think that the Governor-General and the Provincial Governors might better have been placed in the "bureaucratic" list. There are excellent reasons why they should, but since they are constitutionally invested with powers of veto over legislation they fall into the visible legislative class. However, we distinguish them in another way. If the figures are examined horizontally, there will be found only three bodies officially invested with military as well as political powers. The first is the British Cabinet; and the other two are the Governor-General and the Provincial Governors. Just as the British Cabinet can mobilise the armed forces of this country so can the Governor-General mobilise the armed forces of India. The proposed Bill provides that he shall have this power and shall be free to exercise it in case of emergency over the heads of all the legislatures. The Bill provides something else as well, namely, that he shall have the ultimate visible "credit of veto in India over legislation affecting the India. (The invisible right of veto is probably vested in the Finance Minister, the Big Four's "Observer," on whose advice the Governor-General will act.) Visibly and constitutionally he wields the powers of financial and military dictatorship combined.

Under the existing system of confiscatory accountancy it was inevitable that the people of India should come

to demand a new Constitution, and certain that the Money Monopoly foresaw that they would do so and prepared one to give them. The present Bill, so we are told, is the result of several years' patient consideration. Quite so; and the fundamental feature about it is that it sets this precedent of raising the status of the military commander to equality with that of the civil legislator, or more exactly of lowering the authority of the statesman to the level of that of the soldier, and leaving both equally subordinate to the will of the banker. The Bill is a blue print of the Basle Millennium and pictures a democracy of civilians subserving an autocracy of banksters in uniform.

"A + B" As She Works.

By Arthur Brenton.

An accountant recently allowed me to inspect a set of authentic accounts covering a list of representative enterprises. (I had better state that he has no connection with the Social Credit Movement: also that he did not disclose the names of the enterprises.) They consisted of itemised analyses of costs of operations in terms of percentages of total cost. For my own purpose I group them in three categories: A—wages, salaries, directors' fees; B—all external charges (materials, power, fuel, rates, taxes, and other overheads); C—depreciation (Profits, of course, are not included.)

	A	B	C
Brickmaking	50.00	48.00	2.00
Quarrying	57.20	39.60	2.90
Road Materials	59.60	37.50	2.90
Foundries	62.20	34.60	3.20
Coal Washing	2.45	93.30	4.25
Coking	8.20	82.20	9.60
Blast Furnaces	9.91	86.49	3.60
Steel Ingots (S. Wales)	12.40	84.10	3.50
Steel Ingots (Lancashire)	7.91	89.38	2.71
Steel Rolling (Tin Plate)	3.40	96.60	?
Rolling (Billets)	5.80	94.20	?
Rolling (Rods)	7.61	92.39	?
Electric Supply	5.52	74.02	10.46

In the Social-Credit frame of cost-analysis no distinction need be drawn between categories B and C, neither representing payments to persons as incomes. So the two can be added together. To the category A an addition must be made for dividends. Dividends are not shown in the above statements, so must be estimated. Since dividends are always less than profits, an estimate of profits will be an over-estimate of dividends. Now if in any trade as a whole the profits made over a number of years are examined, they will be found to average 4 3/4 per cent. on capital. Some firms will make much more, others much less, and the rest either nothing or sustain actual losses. If a firm turns over its capital once a year and makes 4 3/4 per cent. on its capital, its profit on turnover is also approximately 4 3/4 per cent. If twice a year the profit is approximately 2 3/8 per cent.—and so on. As the turnover is the sum of all the costs plus profits, the percentage of profit on turnover is also approximately the percentage to be added to cost to get at selling price. Given any cost, this percentage in terms of money will give the entire "purchasing power" distributed as dividends. As most businesses turn over their capital twice (or more) each year these dividends will amount to about 2 3/8 per cent. on cost, as shown above—a relatively trivial item.

If a trade makes more than 5 per cent. on its capital this rate of profit is almost automatically regulated down-

wards by a flow of fresh capital to that line of trade. Often this inflow of capital is excessive, whereupon the excess is weeded out through re-constructions or counteracted by bankruptcies in other trades.

As an indication that the figure of $4\frac{3}{4}$ per cent. is the conventional top limit to the rate of profit on capital, it should be noted that on the Stock Exchange the shares of enterprises making 5 per cent. and over usually jump to a premium.

Assume, then, that profits average, say, 5 per cent. on total costs (A + B + C) in the above tabulation, and that the whole of them are distributed as dividends, the figures of each trade can be corrected in column A by adding 5 to those now standing. Thus, as examples, the figures of the two trades showing respectively the highest and the lowest proportion of wage costs will be, firstly:

	A	B	C	Total Price.
Foundries ...	67.20	34.60	3.20	105
Coal Washing...	7.45	93.30	4.25	105

and secondly, after combining C with B in one category now called B, and reducing the figures to proportions of 100, the figures will be, approximately

	A	B	Total Price.
Foundries	65.0	35.0	100
Coal Washing	7.1	92.9	100

If, on the same basis, the A column of 13 items is averaged and corrected the figure comes to 21.4 as the proportion of wages, salaries, fees and dividends in 100 representing total Price. Say, one-fifth of Price represents Personal Income. And that small proportion is probably an over-estimate because it is an unweighted average. It leaves out of account the wide differences between the actual amounts of revenue collected in Price by the various trades. Thus, suppose any two firms, one including A costs amounting to 20 per cent. of Price and the other A costs 5 per cent. of Price, and the first firm collects £100 while the second collects £500, the combined average ratio of A costs to Price is not $12\frac{1}{2}$ per cent. but $7\frac{1}{2}$ per cent. (i.e., £45 : £600).

So it is probably not far wrong to assume, for industry generally, that personal incomes are distributed at somewhere about 1-5th the rate that price-revenue is collected (or at least demanded). It may be of interest to note that the ratio of currency in circulation to deposits recorded in the banks is somewhere round 1 : 6—the currency roughly indicating the rate of flow of personal expenditure (the external "long circuit" of effective purchasing-power) and deposits the rate of flow of business expenditure (the internal "short circuit" of sterilised purchasing power).

Loans and Costs.

By John Grimm.

When a bank issues a loan and the borrower spends it on production he creates a particular kind of cost which may be designated an *impersonal cost*, that is, he disburses money which is not his own, nor has belonged to anybody else. If he were now unable to recover any of that cost neither he nor any other person would be out of pocket as regards money. He could not say: *I have lost so much money.* Nor could any other person. On the other hand there would be persons who could say: *We have gained so much money—these being the people to whom the borrower had paid the money for service, etc.*

Next, as to the repayment to the bank. The money must obviously come from the people who now have it. They will pay it to the borrower in two ways, (a) in the

purchase of such part of the production as is consumable and (b) as an investment in the remainder which is not consumable.

In practice the borrower would himself take part in the processes "a" and "b," and the way in which he could do it would be by disbursing less than the whole loan, and retaining the balance for his services. To use token figures, he could borrow £100, disburse £90 and keep £10. This will serve to emphasise the fact pointed out above that, as the borrower-producer, he has incurred an *impersonal cost* (£100) and instead of being out of pocket, is in pocket by £10 as are other persons by £90—making up the £100.

Now notice, in the process of collecting the money to pay the bank this borrower-producer is not interested as a person, he is an impersonal agent collecting money which, when repaid to the bank, defrays the *impersonal cost* as above defined. But, notice again, the defraying of the impersonal cost gives rise to the incurring of personal costs to the whole of the amount, namely £100. For the borrower (who can now be dismissed as a case in that rôle, and considered as having become a member of the consumer-investor class) together with other persons are *out of pocket* in the true, practical sense. They have parted with *their own* money, and have incurred *personal costs*, to the full amount of £100. Of these personal costs one part will represent the consumable goods bought for their personal use, and the other part the non-consumable goods in which they have invested. The first part—the "cost of living"—these people will consider as extinguished by the delivery of the "means of life." They do not expect to get their money back. But the second part, the cost of acquiring the non-consumable and non-delivered goods, they do expect to get back in money. Suppose the production is equally divided into the two classes, then of the £100 of personal costs incurred these people will write off £50 for goods received, and will regard themselves as entitled to get back the other £50. It will represent, in their eyes, a justly recoverable personal cost, justly recoverable because if they do not recover it they will have lost *their money*.

But from whom can they recover it? If all of them have invested equal sums, then they must recover it from themselves! If some of them have invested more than others—or if some have invested and others not—then some must recover it from the others. Yet, at this point nobody has any money: the bank has retired and cancelled it. Obviously, then, these personal costs are recoverable only from the bank. But no bank puts out new money except as new loans, creating new impersonal costs, which in turn involve new personal costs, which are similarly only "recoverable" from the banks which are similarly only "recoverable" from the banks on these impossible conditions.

If the bank, in this illustration, were to issue and recall loans of £100 ten times for new production under the above conditions, there would result a cumulative total of £500 personal costs which were no more recoverable than the original £50.

Critics of Social Credit say that so long as banks issue new credits as fast as they retire old ones there need be no deficiency of purchasing power.

The Social-Credit counter-affirmative can be put in the same terms slightly transposed: namely: *So long as banks retire old credits as fast as they issue new ones there will be a deficiency of purchasing power.*

In the illustration it is clear that the bank would be retiring twice as much money per period (£100) as it

ought to do if personal costs per period were ever to be recovered (£50). This ratio of two to one means that production takes twice as long to complete as the bank allows for the repayment of the loan. It may be called the "glut-ratio," for it measures the proportion in which production is rendered unsaleable and accumulates in industry.

Machine Economics.

The economic conditions governing the installation of machinery ought to be widely understood. The manufacturer is only in business in order to make profits. He doesn't like to spend money on plant and machinery, as money is difficult to get. Other things being equal, if his product could be made as cheaply, or more cheaply, by hand, he would not employ machinery. This provides one clue to why the wages and salaries of the workers are always being attacked by him.

Taking the wage of an average skilled man as £3 per week, or £150 a year, it follows that any machinery to take his place must bear annual charges of less than this figure.

Charges are made up something like this:—

	Per cent.
(1) Interest on capital	7
(2) Sinking fund for repayment of capital	6
(3) Depreciation	10
(4) Repairs and renewals	5
(5) Extra profit (for extra risk taken)	5
Total	33

Now £150 is 33 per cent. on £450, and £450 is thus the capital that the manufacturer can risk spending on machinery to displace one man earning £3 a week.

Naturally the figures vary from trade to trade, and many outside factors bear heavily on the problem. Although the above figure may seem high, it must be remembered that in these days change is so rapid that the poor manufacturer often has to work plant which had become obsolete as soon as it was installed! Or there may be a "slump," as in 1920, when his plant will be put out of work by its high charges.

For instance, in 1919 wages were about twice their present level, and one skilled man would then have earned £300 per annum. Now £300 is 33 per cent. on £900, and that was the capital, on this basis, that could be spent in 1919 to displace one man. It will be obvious that a manufacturer who put down plant on the 1919 basis could not compete against similar plant installed in 1935. He would be "sunk"! He was, in fact, sunk.

A very serious point against the installing of machinery is that most of the "charges" on it are cumulative at compound interest if they are not met annually (and if the plant is not worked up to capacity there is grave danger of this happening) whereas manual labour can be "sacked," and carries no "charges" at all.

As against this some conditions making for the use of machinery are:

1. High wages.
2. Scarcity of labour.
3. A large market.
4. The performance of operations which could not be done by hand, or which must be done at high speed (as in the emergency of war).

"GENERAL MANAGER."

Working Beliefs.

It is sad to find that the President of the United States has definitely allied himself with the forces of destruction. His policy for 1935—work for the unemployed, work for all—shows that he assents to the great working belief which governs the thoughts and actions of the majority of the people of this time. This belief has all the appearance of truth, having the sanction of custom, but from the destructive results which have followed all policies based on it, it is time the belief received careful scrutiny.

The fallacious belief is simply:—

All men are primarily producers.

The economic cycle, based on this belief, is deemed to follow the order:—

Production.
Distribution.
Consumption.

A correct conclusion can only be reached when all thoughts are correct in themselves, and are arranged in the correct order. The names, production, distribution, consumption, are correct in themselves, but their order is wrong. The correct order of the economic cycle is as follows:—

Consumption.
Production.
Distribution.

"The old order changeth, giving place to new." "The first shall be last and the last first." So the *true* working belief which must saturate men's minds, and become dominant and forceful enough to displace the false belief is this:—

All men are primarily consumers.

All who think they are producers first are denying the first law of their own nature, self-preservation. Self-preservation is normally attained by consumption. Consumption of the means to preservation leads to a natural desire to replace that which has been used up, that the new product may be distributed for consumption in obedience to the law. Otherwise, how is life preserved from the time production starts until the product is ready?

To-day, those who do not function as producers are up against the first law of nature. If, in obedience to the natural law they take steps to preserve their lives, they break man's law and go to prison. If they obey man's law and defy nature's law they end in self-destruction.

H. E. B.

Tasmanian Parliament.

In the Tasmanian Parliament on December 1 the following motion was moved by Mr. Carruthers, the Douglas Credit member, and passed without opposition:

That a Select Committee be appointed, with power to send for Persons and Papers, and with leave to sit during an adjournment of Parliament exceeding fourteen days, and to adjourn from place to place, to inquire into and report upon the following matters:

(1) Whether the people are being prevented by any removable banking or financial circumstances, factor, law, or condition from possessing, consuming, and/or utilising and enjoying the increase of wealth and/or the actual and potential increase of production over the last thirty years; and, if so, the cause, and what remedial steps should be taken; and

(2) All matters and things appertaining and incidental thereto:

and that—Mr. O'Keefe, Mr. Dwyer-Gray, Mr. Turner, Captain Cameron, and the Mover, be of the Committee. [Mr. O'Keefe is the Speaker, Mr. Dwyer-Gray State Treasurer, and Mr. Turner an ex-Cabinet Minister.]

What Will Remain?

By R. Laugier.

XI.

"He who hates vices hates mankind."—Thraseas.

Man makes laws in order to conceal his ignorance. Only the god-like, or the very humble, can say, "I don't know." And since minorities, though always more "right" than majorities, never rule, the eternal comedy is played out: always there is a "law"; and when it is proved to be rubbish man is not in the least disconcerted. He merely smiles, rubs his hands over the new "law," and chuckles, "Progress." Yet no "law" is Progress if it does not aid Man.

In England, where the Puritan rules, scepticism and urbanity are invariably misunderstood. The sceptic is not a man who disbelieves everything, but one prepared to believe anything—especially if it is incredible. As for urbanity and tolerance towards human frailties, such good humour is artistically desirable, and may be artistically effective: this is largely a matter of technique, which the pure in heart have never comprehended. The sceptic will probably maintain an allegiance towards cultural tradition, but he will be wary in the presence of "immutable laws."

If I say of anything that it is "immoral," what I really mean is that this thing annoys me. There are a great many things in modern life that annoy me, but not all of these are called "vices": on the contrary, I sometimes think that a benevolent Deity might readily forgive our vices, and find our virtues uncommonly hard to swallow.

Of course, I create God in my own image: we all do. The devil, too, is created in similar anthropomorphic style. But if I sometimes have a kindly feeling towards "devilment" and an impatience with "godliness," I flatter myself that I am guided in my preferences by culture or good taste. I may easily be wrong. But, however this may be, I am not conscious of weakly tolerating things abominable, through sheer apathy: I dislike the spiritual sluggishness of the modern self-styled "intellectual," who learns nothing and forgives everything; whose motto might be, *Rien comprendre, c'est tout pardonner*. This type is not a true sceptic.

To the professional writer these questions of tolerance, indignation, etc., should be subservient to his technique. It is so easy to say a thing is "immoral"; it is not so easy to make the thing appear so ridiculously undesirable that the unlovely thing is killed, cast out. Passionate indignation is a very difficult thing to handle artistically, and only the giants can produce and control the requisite forces. Unhappily, in a Puritan country, any man who keeps writing, that the good is good, and the bad bad, invariably thinks himself God's own prophet (if not God), and is regarded in very much that light by a Puritan public.

A glance at our journalism will show at once where the pure in heart have brought us. Finance is not entirely responsible for the ineptitude and mental bankruptcy of our journalists: long habits of moralistic debauchery are a secondary cause. Journalism has deteriorated in France, but the Gallic journalist still has "a manner." He must have wit and style. What De Musset, as editor, said to a potential contributor: "Send me any kind of stuff, save the *genre ennuyeux*," still holds good among a yet artistic people. (One unforgivable crime of the English and American "popular" scientific authors is the awful, barbaric jargon which

their ignorance and complacency have introduced into the English language.

The gentle art of making enemies, of those whom it is a pleasure to dislike, is indeed an art. It is also gentle. The man who loses his temper loses the fight. He beats the air. He attacks the tyrants, not the tyranny. He bores all intelligent people: he is artistically ineffective.

The best kind of Art, like the best kind of life, is that in which emotions and intellect are beautifully balanced, in which passion is made to obey will, style is forced to adhere closely to the ribs of thought, wit controls rhetoric. One may listen with delight to Bach, an hour, two hours, after one has tired of Chopin.

But certain signs of revolt against Puritanism—as in our Theatre—are not, necessarily, as happy as they might appear. Only too often, when the modern mind cannot accept religion or rigid moral codes, it cannot accept anything. At least the old Puritan had a certain vigour: some of our young writers have got rid of Puritanism, and found nothing to replace their ancestors' beliefs. Of the young dramatists it is sometimes said that "they are afraid of life." They are not afraid of life—as their style shows—they are simply bewildered by life. Frequently sex is their only theme, because it provides their sole emotional experience.

If we ever see egalitarian and democratic political economy it is almost certain that intellectual arrogance will tend to disappear. The egoist who will exploit "duty," the saint or sinner who will regard himself as God's mouthpiece, will simply, in a happy epoch, be laughed out of court.

Man will cease to take himself with such awful, moral seriousness. He will realise that he is a creature of appetites and emotions, and he will gladly accept the fact. Man cannot live by "pure reason," for it no more exists in nature than does perpetual motion. In the last analysis Man acts in accordance with an emotional urge. Teachers bid us remember that "the end of a thought is action," simply because this is so rarely the case: they would inculcate a principle. As a rule the end of thought is reverie, or "day-dreaming"; only rare souls, possessing passion, are "play-actors to the soul," and make their opportunities, and force their dreams to realisation.

Generally speaking, there is great confusion in this matter, and perhaps there has been a certain conspiracy to perpetuate the misapprehension. Man prefers to think of himself as a god-like creator, rather than a straw in the wind. A common example of lying in this matter is that of the business-man who, having "succeeded" by pure luck, relates how he "saw his chance, jumped right in, and made good."

Statistics also prove, without intent, that there is no safety in numbers. Take the compiling of figures relating to suicide: so many kill themselves for this reason, so many for another. Actually, it is often very difficult indeed to decide why suicides took their lives. One may say that, under happier economic conditions, many would live who now die. But the ostensible motive for self-destruction is, in an enormous number of cases, not the real motive. (Goethe knew this, as he showed in *Werther*.)

As a fact the most trivial and the most terrible acts of mankind are performed for reasons "que la raison ne connaît point." And, in the culture of the future, perhaps we will attend to the harmonising of emotions first, and leave the things of the intellect second. So far as social amelioration goes, it does not seem to matter

whether a nation relies very thoroughly upon the intellect, with the French, or distrusts the intellect with the English. Given bad economic conditions the results are much the same. Emotions always win; and the French become a nation of cynics humming, *Il ne vaut pas la peine de changer de gouvernement*; whilst the English become a sentimental people babbling of "policing the world," etc.

Emotions win, with the logically rational man, as with the impulsive, instinct-trusting man.

Having spent fourteen years labouring in the Douglas vineyard, seven years in England, and seven years in France, I don't know which potential convert to Social Credit is the worse. On the whole both periods have been rather seven years of lean. The Frenchman wastes less of one's time: he gets the point quickly, even unto A + B—explained in bad French! The Englishman muddles one up, by refusing to pursue any line of thought, and hopping from "rotation of crops" to "bi-metallism"; and from "psychology" to "seignorage." But in the end, the net results are much the same. The Frenchman tells you there is no such thing as Progress (and you can't prove it), and also that, *Il ne vaut pas la peine*. . . . The Englishman says: "We've had a most interesting talk. What about another drink?"

Both French and English are the racial descendants of generations who have steadfastly and unrealistically declined to believe that Man can possibly be happy.

(To be continued.)

The Green Shirts.

REPORT FROM THE GENERAL SECRETARY. DISTRIBUTING THE GLUT.

At the end of his speech Mr. Lloyd George answered a question which was put on behalf of the Douglas Social Credit Scheme. The question suggested that the best way of distributing the glut of goods already in existence was by means of a National Dividend. Mr. Lloyd George replied:—

The question of distribution of the glut is one of the vital questions of the day. The difficulties of the present system have not arisen in the least from the fact that there is not enough for everybody. It is due to the glut which is blocking the flow of abundance, so that people at the extremity cannot get it. If every one had his fair share there would be a demand for further goods, which would increase the prosperity of the country. Whether the Douglas Social Credit Scheme is the one to do it is a question upon which I would not express an opinion. I do not think that any system working alone will do it. Complicated remedies do not usually work, and I am a simple-minded man. If you had a system by which everyone was put to work, and all those who were at work had a fair remuneration for their services in wages or profits, the question of distribution would be more or less solved. If it is not then solved, you must find something else. A great many people want to juggle with currency. I have always doubted that. I was very doubtful myself about the methods adopted last year by President Roosevelt when he attempted to get over his difficulties by manipulating currency. I am very apprehensive of the result. I do not think you can work it in that way.

—[The Times report of Mr. Lloyd George's Pwllheli speech, January 21, page 14.]

Telegram, dated January 21:—
To: Lloyd George, Churt, Surrey.
Your answer Pwllheli to Green Shirt Social Credit question proves "New Deal" nothing but a warmed-up corpse. Britons demand immediate issue of National Dividend.

From: Hargrave, Green Shirt Headquarters, London.
On Saturday, January 19, Green Shirts attended Mr. Lloyd George's meeting at Pwllheli and succeeded in forcing the question of the National Dividend to the forefront.

Reynolds's Illustrated News for January 20 reported:—

Answering a question put on behalf of the Douglas Social Credit Scheme, which suggested that the best way of distributing the glut of goods was by means of a National Dividend, Mr. Lloyd George said: "Whether the Douglas Social Credit Scheme is the way to solve the problem of distribution is a question on which I would not express an opinion. I do not think that any system working alone will do it. If you had a system by which everyone was put to work, and all those who were at work had a fair remuneration for their services in wages or profits, the question of distribution would be more or less solved. If it is not then solved, you must find something else."

The Daily Herald for January 21 gave a slightly different version:—

Towards the end of his speech, when Mr. Lloyd George asked if anybody had a better plan than his to put forward, a member of the audience said: "Social Credit."
"Yes," replied Mr. Lloyd George, "that is a point which should be considered very carefully. It is one of those things which have been suggested, and I am all in favour of investigation. It is important, and I am not deprecating it by any means."

"But those who think that that will do it alone will encounter disappointment. You cannot do it by one particular remedy. It must be a concentration of all those things to effect a cure in the end."

The Daily Mail for January 21 reported as follows:—

SOCIAL CREDIT.

Referring to public works, Mr. Lloyd George said: "The schemes when carried through must in themselves add to the assets of the country. I invite examination of my proposals on the basis of that principle."
"I have done my best to supply the answer. Has anyone a better one?"—A voice: Social Credit.
"That is a point which should be considered very carefully, and I am all in favour of investigation," said Mr. Lloyd George.

The Press reports given above show some rather important variations one from another, and also when compared with our report of what actually took place. It will be noted that, although the Green Shirt questioners were in full uniform at the Bangor and Pwllheli meetings, no mention is made of the Green Shirt Movement for Social Credit. (That is a "boycott" we intend to break before many days and nights have come and gone. It is something that we expect in the ordinary newspaper Press, but we have sometimes been just a little surprised to find the same tendency in Social Credit circles.)

On the morning of January 19 a Green Shirt appeared in Pwllheli and delivered a note for the chairman of Mr. Lloyd George's meeting, written on the back of a large Green Shirt handbill. This note read:—

"Question submitted on behalf of the Green Shirt Movement for Social Credit:—
"Does not Mr. Lloyd George agree that the real problem is not to produce more goods, but to distribute the glut of goods already in existence by means of a National Dividend?"

By 2.30 p.m. the hall was crowded to the doors, and from that time to the opening of the meeting at 3 o'clock there was "community singing" in Welsh. Some 2,000 people were assembled, and "the whole meeting," says our report, "was far more intimate and homelike than at Bangor." About twenty Pressmen were present, and one or two photographers. *News Chronicle* and *Sunday Dispatch* posters were stuck up on the walls. Our report says:—

"The proceedings were conducted in Welsh throughout, except for one or two passages in English probably intended for reporters, and some unpremeditated ones elicited by the Green Shirts."

After being introduced by the chairman, Mr. Lloyd George plunged into his speech. The first English passage in it ended with the words, "If there is a better remedy, in heaven's name let us have it!"
As they had already sent a steward to the chairman with a second copy of the question handed in during the morning

—and as he had promised to see that Mr. Lloyd George got it—the Green Shirts let this opportunity pass. But when he asked much the same question a second time—“What remedy do you propose?”—or words to that effect, a Green Shirt shouted the reply:—

“Social Credit!”

Mr. Lloyd George immediately took this up from the platform, “and,” says our report, “said that he thought Social Credit should be carefully examined, but that for his part he did not believe that it was a remedy by itself. It was necessary to examine them all and combine those which seemed likely to work, etc. The rest of the speech was almost entirely in Welsh, and offered no further opening.”

However, as soon as the speech was over, a Green Shirt stood up and called out:—

“Mr. Chairman, may I ask a question?”

The Chairman waved his arms up and down, and an old man on the platform started a vote of thanks (?) in Welsh. The Green Shirt sat down and waited. When the old man finished the G.S. immediately jumped up again and asked—

“May I ask a question on behalf of the Green Shirt Movement for Social Credit?”

Mr. Lloyd George lay low and said nothing—the chairman began to gesticulate—and the whole hall was in an uproar!

A man several rows in front and on the other side of the hall turned to the Green Shirt and shouted—“Let’s hear your question!”—and it became obvious that the G.S. had most of the audience with him. So he let the seconder of the vote of thanks (?) say his piece, and then stood up and said in a very loud voice:—

“If Mr. Lloyd George approves of Douglas Social Credit, why does he not include it in his ‘New Deal’?”

As the chairman hesitated (because Mr. Lloyd George still said nothing) the Green Shirt added—“I demand an answer to my question—the whole audience wants to hear it!”

At once the crowd took on the intensity and determination of this Green Shirt demand. The last fourteen words of this unknown greenshirted man shaped the mass-feeling and flung it against the platform. Not for nothing have Green Shirt agitators been trained quietly and systematically by Hargrave in practical mass-psychology.

“I demand an answer to my question—the whole audience wants to hear it!”

Powerful words. They moved Mr. Lloyd George out of his seat and opened his mouth when he would rather have kept it closed. Reluctantly he got up and in a very uncertain manner said that he had really answered this question before (in reply to the Green Shirt who had shouted “Social Credit!” earlier on). Then he read out in full the written question that had been sent up by the Green Shirts, and in substance repeated his former reply. “But added,” says our report, “that the Douglas Scheme was complicated and might not work: that he was a simple-minded man: and that he would rather try something else first. He undoubtedly left his audience with the impression that he defence of his ‘New Deal.’ We felt rather sorry for him, for he obviously felt he had lost his grip, and had been defeated in his attempt to evade the challenge of Social Credit. Nearly all he said in English was taken up with that of a family party to one of vital issues. I do not think he will forget the Green Shirts in a hurry.”

Close upon 100 copies of *Attack!* were sold outside after the meeting, and a quantity of leaflets and folders were distributed.

“The crowd streaming away from the Hall,” our report reads, “seemed very favourably disposed towards the Green Shirts, many of them being under the impression that Mr. Lloyd George had given us his blessing(!)”

Further to our report of last week:—

After the close of the Bangor meeting on January 17, Green Shirts hurried out of the Hall and began selling *Attack!* They could be heard above the hubbub of the crowd, shouting:—

“Why Lloyd George cannot cure poverty amidst plenty!” —“Down with Workhouse Economics!” —“No Finance-Fascism!” —“No ‘New Deals’ with the Old Pack of Cards!” —“Read *Attack!*” —“Demand the National Dividend!”

As Mr. Lloyd George drove away, slowly, because of the press of people, a Green Shirt sprang in front of the window holding a copy of *Attack!* close-up, and shouted, in a voice fit to win a Town Crier’s contest:—

“GREEN SHIRTS ASKED BEAVERBROOK A QUESTION!—HE COULDN’T ANSWER!—LLOYD GEORGE WOULDN’T RISK IT!”

At the sudden roar of that stentorian voice the Simple-Minded Man was seen to sit up, as though startled, and stare out of the window. He must have had a good view of the front page of *Attack!*

It is clear that the professional politician is changing his attitude towards Social Credit and the question of the National Dividend. What is this change?

1. Social Credit can no longer be ignored in silence, and so he has to confuse the issue by saying that—

2. It is “complicated”—I would not “express an opinion” on it (having stated that it is “complicated,” and that “complicated remedies do not usually work”—i.e., it is unworkable)—it would not “work alone,” so we must make a hodge-podge-pudding of all sorts of schemes and call this mix-up a “New Deal” (but, even so, Social Credit is not to be tipped into the pudding-basin—it might make a pudding you could EAT!)—Social Credit “should be considered very carefully” (and then rejected)—it is “one of those things which have been suggested, and I am all in favour of investigation” (yet a few years ago, when the Social Credit demand was for “investigation,” single M.P. lifted his little finger to get it “investigated”; nor is it likely now)—Social Credit “is important” (strange that it should now be “important”?)—“and I am not deprecating it by any means” (no?—why not?—beginning to discover that there is a growing demand for it?)—“a great many people want to juggle with currency” (i.e., by implication, Social Credit is a currency-juggling currency—“and I have always doubted about manipulating carefully”—“it is important”—“I am not deprecating it by any means”)—but as to “whether the Douglas Social Credit Scheme is the way to solve the problem of distribution is a question on which I would not express an opinion” (why not, if it is so “important,” and should be “carefully considered” and “investigated”?)—“What’s wrong? Gone “humble,” like Montagu Norman, all of a sudden?”

The Two Simple-Minded Men who “do their best” when “the dogs bark”—and the “caravan passes on.” A regular S.M.M. Club, if you count Snowden, “PUT TO WORK the question of distribution would be more or less solved”—but, mark you!—“If it is not then solved, you must find something else.”

Amidst this hugger-mugger of Simple Minds twisting and turning in mental confusion and political cunning, like a basketful of slippery eels, the Green Shirts are right to avoid all argument about it and about, and to bend their energies towards the development of One Great Mass Demand for the immediate issue of the National Dividend.

The British People must say:—

“Do it—and do it quickly!—or we will find men who will do it!”

F. G.

January Anniversaries

- 1873, January 22.—Orange born.
1919, January 2.—Orange published Douglas’s first article in “The New Age.”
1934, January 18.—First of Boothroyd’s series of articles published in “The New Age.”
1934, January 25.—Editorial analysis of “pseudo-science” in relation to the Social-Credit theorem in “The New Age.”

The Films.

“Remous.” (“Eddies.”) Directed by Edmond Greville. Curzon.

“Joie de Vivre.” Made by Hector Hoppin and Anthony Gross. Curzon.

Edmond Greville is a young director who should be worth watching. His theme here is psycho-pathological—the tragedy of a young couple when the husband is rendered impotent by a motor accident on the honeymoon. Unfortunately the issue is shirked, as in “Desirable.” The husband’s suicide is logical enough, but ends on an enigmatic note, and the tragic qualities of the situation are marred by the fact that one can neither become interested in nor sympathise with the characters, most of whom belong to the idle rich, who have encumbered the screen far too long.

But this director’s first picture shows more than promise. Greville has the cinematic mind. If he still lacks the essential capacity to mould his plastic human material he has the essentials of thinking in terms both of pictures and of moving pictures, and he can invest still-life studies with atmosphere and animation. He has made an unusual film, and one that I recommend with all its faults.

“Joie de Vivre” is the most original, interesting, and wholly delightful film to be seen in London at the moment. Its makers are the only real rivals to Disney who have yet materialised; other screen cartoonists are mere copyists of the creator of Mickey Mouse, but Messrs. Hoppin and Gross have invented a new, highly intelligent and artistic technique. The animation is in ballet rhythm; the backgrounds are modernist; the music is both appropriate and an integral ingredient of the picture; and the idiom of contemporary painting has been skilfully wedded to that of the screen. I hope to see more of the work of these two artists, who have infused the cinema with some much-needed new life.

“Forsaking all Others.” Directed by W. S. van Dyke. Empire.

One is prepared to forgive much to the director of “White Shadows in the South Seas,” but not to forgive him his association with this type of film. It has an opening scene epileptic to the point of being distressing, in which all the characters talk, or rather scream, like an aviary of distressed macaws, and thereafter the story resolves itself into the familiar triangles and adulteries of the American idle rich. The worst feature is a complete insincerity which has characterised the American screen since the launching of the “Clean Film” campaign, which is now, I understand, being waged with less virulence. “Forsaking all Others” is another picture in which the relationship of two of the principal characters is obviously guilty in the conventional sense; yet the audience is asked to believe that Mary and Dill, played by Joan Crawford and Robert Montgomery, nobly refrain from going to bed with each other without the sanction of the marriage ceremony, despite every convenience for copulation. This kind of “purity” is more immoral than any open display of vice.

Much of the dialogue is most amusing, but it is dragged in too obviously and too deliberate and self-conscious. Clark Gable is good, as he cannot help being; Billie Burke gives an indifferent and insincere performance that must pain her many admirers, among whom I rank myself; and the bright spot is Charles Butterworth, whose study of casual ineffectiveness embodied on to the character of “Charles, his Friend,” is a masterly little piece of work. This is one of the most irritating films I have seen for a long time, but it deserves analysis in some detail as a typical example of the kind of picture we are likely to get when producers have not only to face up to the requirements of the British and American censorship, but also consider it necessary to submit to the virtual blackmail and terrorism of professional moralists, “uplift” societies, women’s leagues, and religious bigots. One must make allowances for those handicaps, although they do not excuse the use of a line I had hoped never to hear again—“I’m free, white, and twenty-one.”

DAVID OCKHAM.

Music.

Promenade Concert, Queen’s, January 10th.

The compilation of the Promenade Concert programmes clearly indicates an affinity of mind with those who imagine they are not getting their money’s worth from their wireless sets unless the latter are in constant use at full blast.

Too much of a good thing defeats its own ends, and the programme of this British concert was, necessarily in the circumstances, too much of a bad thing from the executive standpoint to do justice to the music, as well as being miles beyond the digestive capacity of even the most voracious musical appetite.

The proceedings commenced promisingly with a keenly-felt performance of Vaughan-Williams’s lengthy but uniformly fascinating *Fantasia* on a theme of Tallis—music which rapidly transports one to a distant and more attractive age—in which the strings of the B.B.C. Orchestra played as well as ever one has heard them. But the next item, two of Granville Bantock’s “Songs of Egypt,” was surely a great mistake, more especially with that fine artist, Olga Haley, wasting her time and talent on such feeble, thin, superannuated rubbish.

In these songs, at any rate, there is really no basic difference between Bantock and Amy Woodforde Finden: as my valued friend and colleague, Kaikhosru Sorabji, puts it in his “Around Music,” the music exudes “. . . that very discoloured and excessively unlocal colour which, in the simplicity of their hearts and the emptiness of their heads, is imagined to be Oriental atmosphere by those Occidental musicians who think that the sun of the East rises in Messrs. Liberty and sets with a messy-sounding plip in that Kashmir which exists, happily, nowhere outside those notorious Indian Love Lyrics.” John Ireland’s *Prelude*, “The Forgotten Rite,” is, for him, a relatively simple work, but one of great imagination and sensitivity; what the “Rite” was or is we are not told, but the music certainly succeeds in arresting one’s attention throughout and creating a highly charged atmosphere.

The piece was conducted by Mr. Ireland himself, and, although not a professional conductor, he very clearly knew and indicated his precise requirements, to which the orchestra responded in all departments by clean and delicate phrasing.

After this, however, there was an abrupt descent, and Elgar’s wonderful Violin Concerto received one of its typically Promenadian, heavy-handed, laborious misinterpretations at the hands of Sir Henry Wood and Mr. Sammons. This is a work that emphatically cannot be played without adequate rehearsal; as this is definitely impossible in Promenade conditions, those responsible for its inclusion in the programme should realise that they are thereby doing Elgar’s memory and reputation a grave disservice.

This was more than enough for the first half of the evening, but it was nevertheless, followed by Delius’s *Dance Rhapsody* No. 1—a superb work demonstrating both Delius’s unique command of orchestral colours and his *rhythmic*, as well as harmonic, resource.

Unfortunately, the performance scarcely rose above the pedestrian at any given moment, and, again, was not calculated to enhance Delius’s memory and reputation, or, incidentally, to erase one’s memories of the splendid rendering it was given by Sir Thomas Beecham during the Delius Festival of 1929, since when it has not been heard to anything approaching equal advantage. After a quarter of an hour’s interval there followed Sibelius’s Seventh Symphony, some more songs, and Schubert’s “*Marche Militaire*,” but by this time most of us had fled in self-defence.

CLINTON GRAY-FISK.

Notice.

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

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

News Notes.

(Editorial.)

SOCIAL CREDIT AND LAND LORDS.

A contributor to *Land and Liberty* thinks that the unearned increment of association is absorbed in "land rent," (Issue, January, 1935). The truth is that this increment is not "absorbed" at all; it is confiscated by the bank lords and destroyed.

WAGE INCIDENCE AND DRUG PRICES.

Notes and Comments (No. 19, December 28, 1934), the organ of the Economic League, discusses the problem of "shorter hours." It refers to Sir Richard Redmayne's report on the experiment conducted by Boots Pure Drug Co., Ltd., of Nottingham, with the 5-day week; and points to his statement in it that the proportion of labour costs to costs of production in the majority of cases was between 2.80 per cent. and 5.95 per cent. A valuable piece of information—for Social Credit speakers to quote!

COST OF SOCIAL SERVICES.

Notes and Comments, the organ of the Economic League (2, Wood-street, London, S.W.1), No. 20, January 11, is packed with interesting statistics and comments on the financing of the Social Services—eleven being enumerated. It shows where the money comes from and goes to (fiscally and commercially of course) and other interesting facts. The researches of this League merit the thanks of every Social Credit speaker and writer, although this is far from its intention.

LLOYD GEORGE AND THE GREEN SHIRTS.

The Green Shirts have published a broadsheet entitled "Green Shirts' Reply to Lloyd George—'New Deal' a 'Misdeal'—the Same Old 'Confidence Trick' Worked by the Same Old Gang." It consists of the text of John Hargrave's speech at Hornsey on January 24. It is, apparently, intended for free distribution outside the halls where Mr. Lloyd George makes his speeches. No price is stated.

INSURANCE FOR FARM WORKERS.

Lord Ernle backs up the scheme of Unemployed Insurance just recommended to the Government. (Letter to *Times*, January 26.) One reason is very frank. As President of the Federation of Rural Approved Societies he states that whereas rural unemployment wasn't much to bother about a few years ago, it has recently been knocking an uncomfortably large hole in the contributions to these Societies. This sounds very much as if the Unemployment Scheme is expected to insure the revenue of the Approved Societies. No doubt it will. Bill Hodge is not likely to be ill and idle at one and the same time, and if he saves against idleness when he's active, and against illness when he's well, he will certainly underwrite the health of the Money Combine more generously than he does at present.

RUPEE NOTES—WHAT VALUE?

The salvors of the P. and O. Liner *Egypt* (which sank off Ushant thirteen years ago) fished up several packages of sodden paper. These were put aside and forgotten. Recently it has been discovered that they contained Indian rupee notes to the face value of £500,000. The Italian owners of the salvage steamer *Artiglio*, have put in a claim for commission on this basis. The underwriters in London refuse to pay on that basis, maintaining that the notes are of no value except as waste paper. An action is pending, and is to be tried in Milan. The cause of the discovery being made was the appearance of large numbers of the notes in circulation on the Continent. As they had been originally printed for a particular Indian State investigations soon established the source whence they had come. The *Daily Express*, which reports this information (January 23) adds this: "A firm of London printers are one of the parties concerned in the litigation in Milan. They have briefed a well-known K.C. to watch their interests." We hope it will be Mr. Gavin Simonds. If so he will derive a great deal of amusement watching Counsel for the London underwriters seeking to get the Milan Court to reverse the judgment of the House of Lords on the Waterlow Action, and to say in effect that the face value of a new note is only the grin on the face of the

Cheshire Cat. We hope that readers in Italy will be on the look-out for the fun, and tell us all about it. The danger is, of course, that the action will be settled out of Court when the time draws near.

Forthcoming Meetings.

Green Shirt Movement For Social Credit.
National Headquarters: 44, Little Britain, London, E.C.1.
Wednesday, January 30, 8 p.m.—Lecture by Edgar J. Saxon, Editor of *Health and Life*, "Why I Stand for Social Credit."

Wednesday, February 13, 8 p.m.—Lecture by John Hargrave, the Green Shirt Leader, entitled: "Ride the Whirlwind and Direct the Storm!"—dealing with the Psychology of Political Action for Social Credit.

Glasgow Section.

Saturday, February 2. Lecture by John Hargrave, Founder and Leader of the Green Shirts—"Fight for the National Dividend!" City Hall, Glasgow.
John Hargrave, National leader and founder of the Green Shirt Movement, speaks in the City Halls, Candleriggs (Glasgow), on Monday, February 4, 1935. Doors open 7.30 p.m. Admission 6d.

London Social Credit Club.

Blewcoat Room, Caxton Street, S.W.1.
February 1, 7.45 p.m.—"The Sanity of Social Credit," by Mr. Maurice Colbourne, author of "Economic Nationalism."
February 8, 7.45 p.m.—"Poverty and Over-taxation: The Obvious Remedy," by Marquis of Tavistock.
February 15, 7.45 p.m.—Address (title to be advertised later), by Mr. R. J. Scrutton, editor of "Prosperity."
February 22, 7.45 p.m.—"The Historic Background of Social Credit," by Dr. J. C. B. Mitchell.

Birmingham Douglas Social Credit Group.

Friday, February 8. Lecture by John Hargrave, Founder and Leader of the Green Shirts. "The National Demand for Social Credit." Wesley Hall, Church-road, Erdington.
February 13.—Resistances to Social Credit Propaganda.—P. R. Mason, Esq.
February 27.—Life or Money?—A. L. Gibson, Esq.
March 13.—World Affairs from the Social Credit standpoint.—E. H. Bill, Esq.
March 27.—The Emergent Order.—Dr. Tudor Jones.
April 10.—The Advance of Social Credit.—J. R. Morton, Esq.

Cardiff Social Credit Association.

Until further notice, discussions and debates will be held every Tuesday, at 7.30 p.m., at the Angel Hotel, Cardiff. All are invited. Collection.

Edinburgh Douglas Credit Association.

Thursday, January 31, 8 p.m.—Public Meeting in Hall No. 1, India Buildings, Victoria Street. Subject: "The National Dividend and the Electoral Campaign." Speaker: R. M. Black, Esq.

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.]

"The Other Side."

PUBLICATIONS CRITICISING THE DOUGLAS CREDIT SCHEME.
(List Assembled by Mr. Sandys Urquhart.)
PAMPHLETS, Etc.
Belshaw, Prof. K. F. "The Douglas Fallacy." Whitcombe and Tombe. 1s.
Copland, Prof. D. B. "Facts and Fallacies of Douglas Credit." Ox. Univ. Press. 1s. Angus and Robertson.
Docker, F. J. "Douglas Credits." Sidney son. 4s. 6d.
McConnell, V. K. "Douglas Credit Scheme." Univ. of Otago. 1s.
Ross, Lloyd. "Tickets Without Goods." N.S.W. Govt. 2s.
Waites, T. "Report on Douglas S.C. System." N.S.W. Govt. 2s.
Nash, J. A. (Chairman). "Report of Monetary Committee." N.Z. Govt. 1s. 9d.
Labour Party Committee. "Labour and Social Credit." Labour Party. 3d.
Durbin, E. F. M. "Socialist Credit Policy." New Fabian Research. 1s.
Gaitskell, H. N. "Four Monetary Heretics." Gollancz. 5s.

LETTERS TO THE EDITOR.

A + B.

Sir,—Your collaborators' attempts at expounding the A + B Theorem fail, it seems to me, for the reason that they disregard the significance given to the symbols by the originator.

"... let not the patient reader allow himself to become confused by the fact that B has at some previous time been represented by payments of wages, salaries, and dividends. While this is, of course, true, it is quite irrelevant—it is the rate of flow which is vital."

"A" represents "the rate of flow of purchasing-power to individuals," measured in terms of costs at the point of release and measured in terms of income at the other end. So long as people live within their incomes the rate of flow of purchasing-power from income recipients back to economic organisations cannot be greater than A. Trade and industry, however, ordinarily expect recovery of all costs—not merely of those forming incomes. The additional purchasing-power that therefore becomes necessary appears in the media of bank overdrafts and export credits, and the rate of its flow is represented by "B." The rate of flow of prices is consequently represented by A + B.

As processes are improved and solar energy is utilised, A tends to decrease. The B rate is controlled by the credit banks. Production in respect of this rate being capital production, an increase of B does not benefit those constituting the demand for consumption goods.

"The industrial machine is a lever, continuously being lengthened by progress... As the number of men required to work the lever decreases, so the number set free to lengthen it increases."
I am quoting from Major Douglas's article in THE NEW AGE of February 19, 1920. F. R. M.

COSTLESS MONEY 250 YEARS AGO.

Sir,—The following excerpts from a book published in 1693, the author of which was William Patterson, first governor of the Bank of England, may be of interest to your readers:—

"Whereas before the money was only the running cash of the nation, now the credit founded upon this money is as much a running cash as the money itself. The running cash of the nation will be greatly increased answerable to the credit issued out, let it be what it will, it will be great."

"... The Bank hath the benefit of the interest of whatever credit it issues out of nothing" (italics mine). These quotations to me, a Socialist, appear of little propaganda value; but Socialists, and Social-Creditors alike, will, one feels, consider them of historical interest. W. N.

FASCISM AND SOCIAL CREDIT.

Sir,—In your issue of January 24, Mr. A. K. Chesterton says that "some" of the statistical figures we quoted regarding the economic position of Italy—and especially those relating to the production of pig-iron in 1932—are "truly fantastic." In our letter of January 10, we gave our authority. In questioning these figures Mr. Chesterton gives no authority.

We note that Mr. Chesterton still makes no attempt to reply to our three questions (*NEW AGE*, December 20); and that his only reply to the facts we have given of the results of Fascism in Italy during a whole decade is to suggest or imply that when Mussolini took on the job of putting things right he was faced with an Italy almost as barren and poverty-stricken as the Sahara desert!

In his original letter of November 29, he charged us with making "a ludicrous statement"—i.e., that Fascist economic policy is "Planned Poverty."

He now "does not deny that planning in a country naturally poor may be described as 'planned poverty,' but," he says, "the fault lies in the poverty, not in the planning." We entirely agree. The fault lies in the poverty, and it follows logically that the remedy for poverty cannot lie in the planning of it; no matter whether that poverty is due to a

real shortage of goods and services (as, for instance, in the Sahara desert), or whether it is due to a shortage of money-tickets (as, for example, in these islands of Britain).

Italy is not a Sahara desert.
Germany is not a Sahara desert.
The U.S.A. are not a Sahara desert.
The British Isles are not a Sahara desert.

Yet in each of these countries the attempt is being made to "plan poverty" under the names of Fascism, Nazi-ism, Recovery-boosting, "National" Government (and now we have Lloyd George with the same old work-making scheme of planning poverty amidst plenty, and calling it a "New Deal.")

Mr. Chesterton must not only agree that planning poverty in a country "naturally poor" is planned poverty: he must also agree that planning poverty in a country naturally rich—and thereby making it "unnaturally poor" (as our present Banking System does by keeping the consumer chronically short of money-tickets)—is planned poverty and a tragic absurdity.

We are not faced with Sahara economic conditions. We are faced with a highly efficient Industrial Productive System continually held back, slowed down, thrown into confusion, forced to fight itself, and generally dislocated by an incredibly inefficient Money System.

This problem that faces us has nothing whatever to do with WORK. It is not a Work Problem. It is a Money Problem. The fact of unemployment, which so bothers the poverty-planners, is to a very large extent proof of the mechanised efficiency of our productive system that is now able to produce with less and less human labour. Planning Work for the Unemployed is planning poverty, and every attempt to "put men to work" is an attempt to sabotage science applied to industry.

In speaking of the State and its interest as opposed to the interest of the individual, we speak of "the controlling head interest of the Government." We are glad to find that Mr. Chesterton realises that "it would be dishonest to deny the truth" of our assertion that "the interest of the State is to remain in power whatever happens," and we hope that he may now go a stage further and recognise that Democratic Governments and Fascist Governments, alike, can only come to power, and remain in power, so long as they "fulfil the aspirations" of the International Money Power by "fooling the people" with schemes of Planned Poverty in order to maintain the status quo—"WORK OR STARVE!"—and thereby not allowing "the changing needs of the times" —NATIONAL DIVIDENDS FOR ALL—WORK OR NO WORK!—to usher in a Sane Economic System.

Planned Poverty suits the Bankers' books.
Social Credit evaporates the Money Power.
Fascism plans poverty—cannot help doing so, and cannot hope to do anything else—unless it operates the principles of Social Credit as set forth by Douglas.

FRANK GRIFFITHS,
General Secretary.

The Green Shirt Movement for Social Credit.

Social Credit Press Directory.

Great Britain.

Attack, 44, Little Britain, London, E.C.1. (id. Organ of the Green Shirt Movement. Published monthly.)
The Challenger (incorporating *The Green Shirt Review*). 22, Cavendish Street, Keighley. (id. quarterly.)
The New Age, 70, High Holborn, London, W.C.1. (7d. weekly.)
The New English Weekly, 38, Cursitor Street, London, E.C.4. (6d.)
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The Social Credit Movement.

Supporters of the Social Credit Movement contend that under present conditions the purchasing power in the hands of the community is chronically insufficient to buy the whole product of industry. This is because the money required to finance capital production, and created by the banks for that purpose, is regarded as borrowed from them, and, therefore, in order that it may be repaid, is charged into the price of consumers' goods. It is a vital fallacy to treat new money thus created by the banks as a repayable loan, without crediting the community, on the strength of whose resources the money was created, with the value of the resulting new capital resources. This has given rise to a defective system of national loan accountancy, resulting in the reduction of the community to a condition of perpetual scarcity, and bringing them face to face with the alternatives of widespread unemployment of men and machines, as at present, or of international complications arising from the struggle for foreign markets.

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

In Course of Preparation.

THE SOCIAL CREDIT WHO'S WHO, DIRECTORY AND YEAR BOOK.

Editor pro tem, ARTHUR BRENTON.
Editorial Committee in process of formation.
Collaboration invited.

Readers are invited to submit:

1. Biographical items concerning leading figures (whether themselves or others) which ought to be recorded.
2. Names and addresses for the Directory section.
3. Suggestions as to what material (speeches, statistics, historical data, etc.) is best worth placing on permanent record in the Year Book section.
4. Information as to societies and organisations advocating Social Credit or other principles of financial reform. Date of formation; objects; officers; structure; fees, etc., etc.

Communications to Arthur Brenton, 20, Rectory Road,
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Published by the Proprietor (ARTHUR BRENTON), 70 High Holborn, London, W.C.1, England (Telephone: Chancery 8470), and printed for him by THE ASSOCIATED PRESS, LIMITED, Temple-avenue and Tudor-street, London, E.C.4, England (Telephone: Central 3701).