

THE NEW AGE

INCORPORATING "CREDIT POWER."

A WEEKLY REVIEW OF POLITICS LITERATURE AND ART

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NOTES OF THE WEEK.

Arms And The Bank.

It is convenient, as well as appropriate, that inquiries should be simultaneously conducted into the business side of war by American and British committees respectively. In America the topic of interest emergent from the inquiry last week was the disclosure of official correspondence showing what led America to enter the war. In this country the parallel topic was the disclosure of correspondence showing how armament firms arrange (or attempt to) the allocation of Government contracts. The text of the latter correspondence is interesting, if only for the fact that it was not intended for public consumption; but it contains no revelations that men of the business world do not take for granted. It is a curious psychological fact that there is more "sensation" to be derived from the glimpsing of a square inch of a lady's skin through an imperfectly curtained bedroom window than there is from close-ups of square feet of it in a ball-room or opera house. In what does the "sensation" reside? Simply the mischievous reflection: "She doesn't know I'm looking." And so it is with these business "sensations." They create in the public "that Peeping-Tom feeling" but without exposing anything worth peeping at. Take the subject matter of the Vickers correspondence (see the newspapers of January 9). What does it matter that Vickers do this and Armstrongs do that, or that Vickers and Armstrongs and the Admiralty hold private pow-wows when there are contracts going? What does it all prove? Simply the existence of what may be accurately described as an unofficial "Warships Marketing Board." So the margin of evil is limited to the significance and effect of the element of unofficialdom in the arrangement. Officialise it, and all is well! Such is the attitude which the *News Chronicle* takes up in a leading article. Nationalise the armaments business,

says the writer, and thereby remove the profit inducement; and there will be an end to all wirepulling whether to decide the destination of contracts or to foment demands for inflated armaments. That would be excellent advice but for the fact that the hands now seen to be pulling the wires are not the only hands on the wires. The true picture would be that of wires being pulled by wire-pulled automatons. We see only the lower section of the marionette show.

The supposed factor of profit-inducement is now virtually a myth. It used to be potent when producers who secured high profits were able to appropriate them personally, and when every official engaged in any capacity in selling things was consciously expectant of receiving in selling things was consciously expectant of receiving emoluments commensurate with profits. But to-day it is almost true to say that in industries of large dimensions, and particularly those of national importance, the directors, managers and sales-organisers are so remotely interested, as persons, in the dividing up of the profits they may earn for their respective enterprises, that they are practically as immune from partiality and incorruptibility as, let us say, the Lords of the Admiralty. To put it another way, the key persons now working the unofficial "Warships Marketing Board" as described above, would, under a system of nationalisation be replaced by persons who would do exactly what they are doing. In fact they would probably not be replaced: they are already functioning as an informal extension of the Civil Service under the same high direction as to policy as controls the Government itself—namely the Bank of England and the Treasury.

So when people exclaim: "How terrible that directors of armament firms should have friends in the Admiralty" or, generally, that high officials in contracting firms should hob-nob with high officials in the Government,

they are not aware that if and when these "friends" or "conspirators" meet together, their proceedings are virtually presided over, supervised, and endorsed by an ex-officio chairman and observer representing the wisdom and incorruptibility of Sound Finance. Mr. Potash or Mr. Perlmutter may boast that he has a Friend at Court, but the Friend has a Father Confessor in (shall we say?) the Governor of the Bank of England. If then, this Friend should wangle favours "corruptly" (as the unsophisticated would see it) for suppliants, you may be sure that he has received a Dispensation or can reckon on Absolution, at the hands of his High Financial Master.

Then, to bring the matter down to concrete terms; supposing that it were possible to prove that Vickers or Armstrongs had received favours at the expense of the public, whether by getting contracts for more supplies than were necessary or by being allowed to charge "uneconomic" prices, a cynic might cogently point out that after the rough handling that the shareholders in these concerns had to put up with when the banks imposed reconstruction on their invested capital, they are entitled to get a bit back now that there is more money about. They have bought the right to "corrupt" favours!

Nor is this cynical reflection unprofitable. It brings into prominence a major factor in the qualified success with which the bankers manage to keep the existing capitalistic system from visible collapse. That factor is the circumstance that we consumers live on the losses of unsuccessful investors. They are continuously supplying us with a "National Dividend" out of their own pockets. They are "selling below cost." And it is largely for this reason that Woolworths are able to give what the impoverished classes of the community consider to be excellent value for money, and yet to declare a dividend and cash bonus to their shareholders amounting to £5,000,000, or 100 per cent. on subscribed capital. In this case both investors and customers are doing well out of the threepenny and sixpenny transactions between them; but elsewhere in industry bad bargains by investors are making these good bargains possible.

There is a sense in which Woolworths are operating the "consumers' union" policy outlined by Major Douglas some years ago (and described in this journal last week). The difference is that whereas Douglas's plan was to concentrate consumer demand directly on a range of selected retail shops, Woolworths' plan is to open a shop—really a range of shops—of its own, and concentrate consumer demand indirectly (through its buying organisation) on selected wholesalers or manufacturers. The principle, however, is just the same in either case, namely, that of securing rebates off prices made possible by the lowered incidence of fixed overhead charges consequent on the concentration of massed demand on a few concerns instead of its diffusion among all concerns. If you have in a town 100 shops each with £500 fixed charges and each supplying 100 customers; and then suddenly these 10,000 customers concentrate on fifty shops, there will be a saving of £25,000 to be divided up between sellers and buyers. And the same result happens when a concern like Woolworths proposes to place orders on behalf of its customers. Think of the number of these, and the amount of revenue which Woolworths have the power to inject into the enterprises with whom they choose to do busi-

ness; and it is not surprising that in so many cases a Woolworth patron is able to boast that her threepence has gone as far in their shop as a shilling elsewhere. The present writer, back at the time when Douglas's plan was being discussed, happened to meet a bootshop proprietor in a Cornish town, and put the following question to him: "Suppose I could guarantee you two hundred new and regular customers; what discount could you take off prices?" A mutual friend present interjected the guess that it would not be more than 5 per cent. "Wait a minute," replied the bootmaker, "I should have to work it out to be exact, but I can say at once that it would be more than 15 per cent." If such a calculation is correct for this country shop which did not stand a large burden of fixed charges, what could it not be for a highly developed boot factory? Shall we say 50 per cent.?

Of course, there is another side to the picture. It is obvious that the concentration of consumer demand in one quarter would precipitate bankruptcy in the other quarters whence the demand was withdrawn. Both sellers and buyers in the prosperous quarter would have to be rated and taxed to support the disemployed in the distressed quarters. However, the prospect of diversion of demand on a scale sufficient to endanger the equilibrium of capitalism is remote, so we need not discuss the matter further along that line.

To resume about Woolworths. Here is a concern which gives you what is relatively a good three penny-worth, and out of the threepence is able to pay its huge dividend, cover its own expenses (overheads and all) and, buy its stocks. On any reasonable computation the prices paid on the last-named item must be of startlingly low dimensions—which suggests that suppliers favoured with Woolworths' orders are able to operate their plants at something like maximum capacity and therefore with minimum additions to direct charges. Naturally the competition between suppliers to reach this fortunate position must be intense, with the result that profits must be cut almost to vanishing point. Ironically enough, certain suppliers who fail to get the orders, or to retain them, may go bankrupt, in which case their stocks would be disposed of at scrap prices, and this would be a factor tending to force down the prices of others still in business.

One broad moral arising from this analysis is that the control of industrial policy is passing into the hands of organised distributors. Little is heard to-day of the master-slogan during the 1920 slump when manufacturers were prompted to "cut out the middleman," *Que Messieurs les Assassins commencent*—on Woolworths! The only chance which manufacturers have of supplying consumers direct on a large scale is that of coming under the political control of the Government and financial control of the bankers, in which case consumers in the mass become involuntary customers of monopolies—e.g. water, gas and electricity. In theory we are all free to "go back to" candles or oil lamps and stoves (soon it may be coal) for our lighting and warming, but practically we are not. To the vast majority of us the leisure required to trim wicks involves the absence of money to buy candles or lamps. Conversely the time spent in earning money outside the home leaves us only time to press switches and turn taps inside the home.

So we are forced to adopt the labour-saving methods of the monopolists, and pay them their own prices.

We have just made a parenthetical allusion to coal. And we can appropriately say a word here about the finance of the coal industry. It will have been seen in the Press that Imperial Chemical Industries and other quasi-public undertakings, including municipal authorities, are promising to collect a levy from householders (as consumers and as ratepayers) for the benefit of the miners. This levy will fall on householders who use coal in addition to the rise in the price of the coal they use. That is by the way. The point to notice is that the proceeds of this levy will be a subsidy to the coalmining industry. Now the General Strike of 1926 was precipitated solely because the bankers, through the Government, opposed the principle of the subsidy then being paid to the industry. The principle is now being re-established. The reason is not far to seek. The industry can't afford to pay the demanded increase in wages. If the miners don't get it they will go on strike, and if they do, their action will be infectious. Hence the money must be provided by third parties. The third parties are to be the general body of citizens.

Someone may cogently ask this question: "If these citizens can afford to pay, why not let the Government pay the money over and raise it in taxes?" There are one or two possible answers.

1. It would revive the principle of the subsidy too conspicuously.
2. It would surround it with the atmosphere of compulsion, whereas the present proposals are designed to make it look voluntary.
3. It would alter the incidence of the levy as between one citizen and another.

Any or all of these may enter into the calculations of officialdom, but we fancy that an additional reason may be operating. It is connected with the occasional attacks on the use of coal which have been published in both the technical and popular Press on various grounds such as that the burning of coal is wasteful (valuable by-products escape), is dirty, is the cause of fogs, etc., etc. Now, if the authorities are able to keep the mind of the public continuously conscious of the fact that the miners are, as it were, billeted on them, this would be bound to give public opinion a turn towards backing proposals to reconstruct the coal industry both financially and functionally. Contingent plans may already be in pigeonholes for stopping the supply of coal to private consumers and using it solely as a raw material for gas production, oil-distillation, dyes, and other derivatives. Such plans might involve the raising of less coal, and the disemployment of a certain number of miners. But against these disadvantages improvements in coal-using processes might enable industry to pay a better price for coal than it does now. As to the disemploying of miners this need not cause trouble if the general position of employment improved. All that the authorities would have to think of would be the solvency of the unemployment fund. So long as the newly employed can support the newly disemployed, all will be well; for whereas an underpaid miner is ready to create a rough house for a rise, there is no evidence that an unpaid ex-miner is ready to do the same thing for a job.

Speaking of improvements in process, we might instance the Turner system for wet distillation of coal, a

specification of which was explained to us some time ago. If the claims made for it are technically sound the financial saving which it would make possible is astonishingly large. If our memory is accurate, the inventor put it somewhat in this way, that an enterprise working the system would show as much saving over other systems as would pay for the coal it used. In fact he adduced this calculation as an argument why the adoption of his process would enable enterprises to pay much more remunerative prices to the coal industry and yet show larger profits. The question may arise: If it is so good as that why is it not taken up? The answer is:—Obsolescence of heavily capitalised plant now in operation. And that accounts for our giving some attention to the subject at the time, and our remembering it now, for, under a Social Credit system the adoption of improved processes would not involve, as it does now, financial loss to enterprises running older processes. The State would bear all these risks.

Another reason why a non-Governmental subsidy is deemed expedient may be that its subsequent discontinuance could not be so plausibly charged against Treasury influence by credit-reform exponents and agitators. That the subsidy may be intended as a temporary measure is a reasonable theory in view of the political tension in Europe. For military reasons alone the organisation controlling our sole native resources in fuel has got to be kept efficient. Coal is a munition of war; and, while war-risks prevail, the morale of the miners is as vital as that of soldiers and sailors. This reflection serves to emphasise the wanton pedantry of the Money Monopolists about dispensing needed credit, which is involving the country in a mean, cumbersome and burdensome method of dealing with the miners' grievances.

"What Is The National Debt?"

This is the title of a "feature" article in the *Daily Express* of January 7. It is worth consulting for reference and quotation by Social Credit exponents. The writer uses the familiar analogy of "Great Britain Ltd." in the process of explaining how the National Debt commenced and how it expanded to its present dimensions. But his "how" does not take account of the creating of bank-credits which preceded the ostensible lending of personal savings to the Government. He makes one remark of importance—probably without realising its significance: it is this, that if the National Debt were held equally by citizens constituting the community, each would owe his share to himself, and could cancel the asset and liability. A year or two ago this point was elucidated in an article in *THE NEW AGE* (reprinted some time last year in *Prosperity*) when it was shown that subscriptions for War Loan *could* have been made in the name and on behalf of the community in equal sums, and *ought* to have been. All bank credit is public property when created for loan purposes. It belongs to nobody in particular, and therefore to everybody. If to everybody, then in equal proportions. In practice, of course, it would have been most cumbersome and costly for the banks to have lent and debited every citizen with money to lend the Government. Nevertheless these banks, by choosing a section of the community as agents of this borrowing-to-lend transaction, were in effect converting the creditor-rights of the community as a whole into creditor-rights of a small minority. "You owe £165," says the writer of the article in the *Daily Express*—this sum being the individual citizen's share of the liability

for repaying the National Debt. Correct: but by the same token this citizen was excluded from the privilege of borrowing and lending £165, and of now *being owed* by the Government what he *owes* to the Government.

* * *

Happily this injustice will be put right under Social Credit. Not by forcing holders of War Loan to divide their holdings out with non-holders, but by relieving non-holders of the monetary penalties attaching (through taxation) to their condition of nominal indebtedness. When the Social Credit National Audit is held, under which the test of justice or injustice will be that of *personal hardship* or otherwise demonstrably consequential on the financial arrangements of the New Economic Dispensation, it will probably be found that most of the taxation raised to cover War-Loan interest does not accrue as income to anybody at all, but disappears into the confiscatory machinery of the bank-loan-retirement system. In other words, the bulk of the War Loan could be written off without damage to any individual.

Movement Notes.

Douglas on Cancellation.

In the *New English Weekly* of September 12 last Major Douglas intervened in a controversy on the question of whether (and if so, how) consumer-credits should be cancelled. The first paragraph of his letter was as follows:—

"May I revive the flagging fury of the cancellationists and at the same time express my personal gratitude to Messrs. Northridge, Gordon Cummings, and Allen Young, in particular?"

"I know the answer or answers, which present no special technical difficulties, and do not involve taxation . . . but I do not see, however, any special object in handing over the information to the opposition."

The omitted passage indicated by the dots in this quotation was simply a parenthesis alluding to taxation as an "infringement" of "liberty," and therefore has no relevance to the question at issue, which is purely technical.

It should be borne in mind that the contention of the cancellationists was (and still is) that consumer-credits would have to be retired by some device not comprehended in the authentic Social Credit Proposals announced in *Economic Democracy* and subsequent literature. The contention of the non-cancellationists has always been (and still is) that such cancellation would take place automatically.

In these circumstances is not Major Douglas's contribution to the debate calculated rather to assuage than to revive the "fury" of the cancellationists? Can his declaration not be fairly construed as follows: "I know of a device, or devices, for cancelling these credits, but I do not propose to say what they are"? If so, are not the cancellationists able to claim that Major Douglas gives them their case? Are they not able to say: "You see, Major Douglas admits at last what we have always said, that cancellation cannot be left to look after itself, but must be effected by some device not yet announced in Social Credit literature"?

It is true that Major Douglas does not use the word "device," or "method," or "scheme"; but the word "answer." Nevertheless, he says of this "answer" (or answers) that it does not "present . . . technical difficulties." So the "answer" must be some thing

to be done by technicians, that is to say, it is a device or method. His reference to taxation in the context tends to support this conclusion; for to say that an "answer" does not "involve taxation" is meaningless (or superfluous) unless the thing denoted by the word "answer" is something of a nature involving monetary policy.

Were it not for the introduction of these references to "technical difficulties" and "taxation" it would have been possible to construe Major Douglas's declaration as meaning something of this sort: "I know the answer (to the question *whether cancellation by new devices is necessary*), but I see no object in explaining it to the opposition, seeing that it can be gathered by a study of my works." In other words: "Why should I take the trouble to re-state my reasons for holding that special devices for cancellation are unnecessary"? If he had said this he would have fulfilled what appears to be one of his objects, namely, to snub the cancellationist "opposition," but without presenting them with a polemical weapon which they can use effectively against Major Douglas's non-cancellationist supporters in the arena of public controversy.

This brings up the question of "handing over information to the opposition." It will be agreed that there is "no special object" in doing this if the information is such that the opposition can get it out of existing Social Credit literature. For in that case Major Douglas's supporters will be in possession of this information, and he can leave them to convey it according to their ability in elucidating it. But if the information is something new, something that his supporters do not possess and cannot derive from his Analysis, his silence lets them down.

Bardsley on the Electoral Campaign.

In the *New English Weekly* of January 9 the following letter from the Secretary of the Social Credit Secretariat was published:—

SOCIAL CREDIT AND PARLIAMENT.

Sir,—Mr. Angold says in a letter which you published on January 2, that "Parliamentary action in this country by deputies appointed *ad hoc* is practically impossible for five years." We think there is an obvious failure to understand the principles on which our Electoral Campaign is based, a misunderstanding which may be prevalent amongst those who are not taking part in it.

The Electoral Campaign is possibly the one method available by which continuous pressure upon the M.P. can be exerted throughout the life of Parliament. The theory of the effectiveness of sanctions is that they should exist and that they should be known to exist by those to whom they can be applied, and not that they should actually be applied. We should go so far as to say that **the pressure exerted as a result of the Electoral Campaign is least useful during an election, and that its real pressure is most felt during the period between elections.**

W. L. BARDSLEY,
Secretary, S.C. Secretariat.

Experience at the last election shows that pledges cannot be depended on. There is a major fallacy in the argument for the Electoral Campaign, and it lies in a confusion between direct voting and proxy voting. If every elector who signed a pledge form thereby legally empowered Mr. Bardsley to vote on his behalf at the next election, then of course the pressure of the campaign would be felt day by day—in fact an election

would be virtually proceeding all the time. But as things are, the pledge represents no more than a transient intention (even if that) on the part of an irresolute individual to perform an indefinite action in problematical circumstances at an unknown time.

Apparently exponents of the policy of the electoral campaign are being let down in the same way by Mr. Bardsley as are exponents of Social Credit technique by Major Douglas. In appearance, *Economic Democracy* and the Buxton Pronouncement are each now discovered to be wanting in respect of vital matters affecting the efficacy of the proposals respectively embodied in them. Appearances may be deceptive, but there is no special object to be gained in letting them remain so. Or, is it the case, to use Lord Hewart's words, that: "To be intelligible is to be found out"? The reply: "We must not give information in case the enemy overhear us" won't do. It would only be plausible if it came from a leader of a secret subversive organisation. Moreover, the bankers are fully aware of everything that it is possible for the Secretariat to accomplish. They also possess a complete dossier containing the biographical record of every Director of that body—past and present; and have got them all taped up as to character. (So, of course, have they of every other figure prominent in the Movement; but this is irrelevant to the argument.) Lastly, and obviously, they know what money passes into the banking accounts of the Secretariat and can know as much about the private accounts of its personnel. If they do not know these things it is because they see no special object in ascertaining them; and that means that they do not regard the Secretariat as even potentially dangerous. "Even so," someone may object, "there is no special object in giving information unnecessarily: why save them the trouble of finding it out for themselves?" That would be sound advice in certain circumstances, but in the present circumstances the withholding of the information gives the enemy an opportunity to discredit the claims advanced by Social Credit exponents in the fields both of monetary technique and political action.

The two MacDonalds are to-day attacked by their old friends and foes alike. It would be unfortunate indeed if the labours of the Social Credit Movement during the last seventeen years ended in a Ramsay and Malcolm MacDouglas extension of the bankers' front.

Cancellation of Dividend.

We have seen that consumers' Earnings and Dividends, which, under Social Credit, will together constitute industry's revenue, will all be needed to replace financial capital laid out in production and reflected in prices to consumers.

Assuming that production is repeated at a constant rate, the financial capital replaced will be re-employed. In some cases producers who recover financial capital will not be in debt to the banks in respect of it. In other cases producers will be in debt to the banks. The difference between the two classes of producers will be this; that the first will be free to re-employ their financial capital without consulting the banks; while the second will be obliged to repay the banks and apply to them for fresh loans. Now since we have agreed to assume that production is repeated at a constant rate we are bound to assume also that the second class of producers are allowed by the banks to borrow afresh the same amount as they repay, period by period.

This leads us to inquire into the precise significance of the process called "cancellation." So far as the

accounting of costs is concerned, it does not matter whether a producer re-employs his own capital or bank loans. In both cases the re-employment creates a new body of costs. The essential element in what we call "cancellation" lies in the producer's recovery of costs from the consumer. For all practical purposes it does not matter whether the producer owes the money to the banks or not, because, by our assumption, the producer re-borrows what he repays to the bank.

It is only by abandoning that assumption that "cancellation" becomes a significant factor, for then we have to take into account the fact that banks can refuse to renew loans on repayment. This, of course, happens under the present system. It is true that the banks lend credit generally at the same rate at which they recover it, but under Social Credit this, by itself, would not safeguard economic enterprise in the interests of consumers. What would be required would be that the new loans should be granted to the same producers who repaid the old ones, as distinct from what happens now, where the banks, at their own discretion, discontinue lending in one direction and commence lending in another—a freedom which, as we know, they misuse in pursuance of their policy of procuring an expansion of the means of production and maintaining a restriction of the output of consumable commodities. For example, the banks can, at present, refuse to renew loans to cotton enterprises and issue loans for railway equipment. The total of bank loans outstanding might not be reduced at all (and might be increased), but that is no consolation to the victims of this diversion of loan-accommodation from one enterprise to another. Railway development is doubtless a very desirable thing, but not by methods of financial discrimination which paralyse useful enterprises like cotton, and virtually plough shirts into rolling stock.

So when we assume, as stated, that under Social Credit production will be continuous we mean the production of the same sorts of things will be repeated, these things answering generally to the needs of the community. On that assumption it will be seen that we have to consider the banks as renewing loans to the same borrowers as repay them. That means that, in a special sense, no cancellation takes place, and that the producer who depends on bank-money re-employs it in the same way and with the same freedom as the producer who re-employs "his own" financial capital.

We are not forgetting the underlying axiomatic truth that all privately owned money is derived from outstanding bank loans—that Brown's deposit is Jackson's debt—and that in the course of business exchanges Brown's deposit will ultimately discharge Jackson's overdraft. But for our present argument we choose to picture the interim situation where Brown is in possession of the money and can call it "his own."

It will be realised now that cancellation, in a practical sense, consists in the recovery of costs from consumers. The periodic cancellations in this sense are, as it were, punctuation marks in the text of an accounting system which is telling the story of costs; they mark the places, or junctures, where old costs are being discharged and new costs created. Under our assumption producers recover and re-employ financial capital (whether "their own" or "the banks'") and may be looked upon as being virtually their own bankers, or at any rate as an extension of the banking system. The National Dividend enters into the monetary turnover. The critic may say that industry gets hold

of it as a free gift, but if so, it is a gift which when received will be needed for re-employment in replacing goods which have been sold—and on the condition of delivering which the gift has been made.

The Revolt at the Manor.

By Old and Crusted.

Poulengey: I will pay for the horse.

Robert: You will!

Poulengey: Yes: I will back my opinion.

Robert: You will really gamble on a forlorn hope to the tune of sixteen francs?

Poulengey: It is not a gamble.

Robert: What else is it?

Poulengey: It is a certainty. Her words and her ardent faith in God have put fire into me.

Robert (giving him up): Whew! You are as mad as she is.

Poulengey (obstinately): We want a few mad people now. See where the sane ones have landed us!

(*Saint Joan*. Scene 1.)

The axe had fallen. In spite of the protests of Joan Talbot and the corroborative growls of her loyal henchman, John Mowbray, the lady of the Manor had intimated to housekeeper and butler that there was to be an immediate reduction of staff and notices were to be given at once.

Now the butler, Josiah Morley, and the housekeeper, Miss Elizabeth Cole, were notable personages, endowed with a keen appreciation of their importance in the social scheme, and far more concerned for the dignity of the family than either master or mistress. They had spent their lives in the Mowbray service and from the days when young "Jos" in buttons had cast sheep's eyes at Lizzy, the red-cheeked nursery-maid, and been incontinently rebuffed they had been sworn allies where the interests of the house were concerned and in deadly feud on every other topic. Whereas Josiah Morley was Whiggishly inclined, of an amorous temperament and "Low Church" with a leaning to Chapel and extempore prayer, Elizabeth Cole was high Tory, an advanced ritualist and a ferocious virgin with little or no use for the male animal outside the Mowbray clan. She had even been known to protest that there ought to be only six men in the world—and they should be chained up.

But this evening there was truce to all bickering in the housekeeper's sanctum. Enthroned in her easy chair, resplendent in black silk, her ample bosom adorned with a huge cameo brooch bequeathed to her by Sir Charles's mother, Miss Cole gave free vent to her feelings whilst Josiah sat on the other side of the fireplace occasionally nodding assent and moodily stirring a cup of tea—a beverage, truth to tell, not usually favoured by the master of bins at this hour of the day.

"To think it should come to this," said Miss Cole in a final diatribe, "after keeping open house for generations and leading the county when the Duke was but a Dutchman the manor is to be shut up and all the old traditions forgotten whilst old Solly Goldstone adds a new wing to his castle and his housekeeper—brazen hussy, no better than she ought to be, I'll warrant—snaps up the gels I've trained and made into the best staff in Loamshire. The world's gone mad."

"True for you, Liz," replied Josiah as he rose from his chair and put his half-empty cup on the table in silent disgust. Lugging a capacious snuff-box from his waistcoat pocket he took a consolatory pinch of generous dimensions, and added, "It makes me fair dither to look at them empty bins and know that the end of the famous Mowbray claret is only a question of weeks at the usual rate of consumption; and, what's wuss, half the folk as dines here now don't know Pontet Canet from elderberry wine! All they want is cocktails and fizz—what a world, what a world!"

The pair relapsed into gloomy silence, absorbed in melancholy reflections, and for a time nothing was heard but the steady ticking of the ancient lacquered eight-day clock. As, with whirr and rumble it struck eleven, a knock at the door aroused them from their reverie. At the call "Come in" there entered a stout, red-faced lady with "cook" written all over her, and evidently in a state for which agitation is too mild a term.

"What's up, Mrs. Beeton?" asked Josiah bluntly. Ignoring the butler as being a mere decorative adjunct of domestic government, she turned to the housekeeper and blurted out, "It's this way, Miss Cole. I've been sent up as a deppy-tation from the whole staff to say as we've received our notices and refuses to accept 'em. If it's a question of wages, they can stan' over, but Mowbray Manor's goin' to carry on as usual—an' that's final."

"And who's at the back of this," retorted that very shrewd reader of character, Elizabeth Cole.

"Why, if you want to know," replied Mrs. Beeton, "it's Miss Joan. You see it's like this. Ever since she took over the Women's Institute she's been tellin' us that if the mess things is in to be cleared up, us wimmen 'll have to roll up our sleeves and get busy. Moreover, nor that she's shown us that there's a mort o' things we can do wi' our own hands and so much good material goin' to waste if we're given a fair chance we can earn our keep and run the Manor 'until the times do alter, as t'owd song says. So we stay where we are and you'll kindly tell her Ladyship so to-morrow mornin'."

And thus did Mrs. Beeton conclude the speech of a life-time and incidentally start a movement which promised to solve problems abandoned as hopeless by the wise and prudent.

It was well after midnight before the conference broke up and the trio retired to their respective quarters. According to immemorial custom the butler went to his pantry and lighting a mighty lantern took a hefty blackthorn from the corner behind the door and departed on his nightly round of inspection before locking up.

When he came to the state dining-room where the picture of Sir Eustace hangs he paused a moment before drawing the curtains of the great oriel. In the centre of the stained glass blazed the Mowbray arms, the sable lion rampant on a crimson shield. "Seems to me," he muttered, "as t'owd lion's got his tail up"—and his glance then pausing on the portrait of Sir Eustace, he suddenly whispered—"Strike me pink, I believe he's winkin'."

Observations of an Election Agent.

By T. H. Nicholls.

Perhaps the first election agent was a Yorkshireman, for the first rule of the profession is "See all and say nowt."

The agent's comments during an election campaign are, by tradition, very limited. If any junior reporter is looking for election news well ahead, he can have my comments for my next campaign now—or for the next dozen, for that matter. In each case my comment is the same—"The campaign is going better than we expected."

In a world in which everyone is given to talking, and the agent may be compelled to say something without conveying anything, silent observation becomes a habit on the part of the man who knows most—and certainly more than anybody else—about a campaign. The laws which govern elections make his job very similar, whatever policy is advocated from the platform.

Reviews.

Emile Coué: The Man and His Work. By J. Louis Orton. (The Francis Mott Co., Ltd. 8s. 6d. net.)

This book is written in this way—"Coué's expressed attitude resembled that of Mendelssohn on the night of the first performance of 'Elijah,' in the Birmingham Town Hall. When passing into the orchestra, the composer said to a friend and critic: 'Stick your claws into me. Don't tell me what you like, but what you don't like.' Coué, indeed, strongly approved of that sentiment, and also approved, with an obvious thrill of pride, of Boswell's declaration regarding his *Life of Samuel Johnson*—'I will not make my tiger a cat to please anybody.'"

Mr. Orton has made a book of 305½ thick pages out of nothing—a mountain out of a molehill; and when you come close to the mountain you find it is a very small molehill. All that he has to tell about Emile Coué could have been printed upon 30 pp. Moreover, his mole never comes to life. It is really Mr. Orton—'A Psychological Study of a Great Psychologist and His Work by Another Great Psychologist' (says the title page. Well, well!)

It reminds me of what I said when I first heard Mendelssohn's "Elijah" played by the Treaclebunstead Town Band.

The Films.

"**Second Bureau.**" Directed by Pierre Billon, Curzon. Brilliantly directed and admirably acted melodrama of international espionage, that holds your attention from the opening shot. Apart from being first-class entertainment, the film has a documentary value for its sidelights on European re-armament and intrigue. This is Pierre Billon's first picture; if his future work is up to the same standard, he should make his mark on the French cinema.

"**The Ghost Goes West.**" Directed by René Clair. Leicester Square.

René Clair's first English picture, and much the best work he has done since "Sous Les Toits de Paris." Not only the best English film of 1935—and easily so—but ties with "The Informer" as being the best of all the films to receive a first public showing last year. Is in that select category that combines first-class artistry with first-class entertainment, and that appeals alike to the connoisseur, the low-brow, and the middle-brow.

"**Mutiny on the Bounty.**" Directed by Frank Lloyd. Empire.

Another British historical reconstruction that our studios have left to Hollywood. Revolves round the sadism of Captain Bligh, played by Charles Laughton, who again gives us a magnificent melodrama and admirable virtuosity, and again paints a superb portrait without, in the opinion of this critic, getting quite under the skin of the part. The film, which is too long and could do with excision, notably in the Tahitian scenes, makes understandable the intolerable lower-deck conditions that led to the Nore and Spithead Mutinies.

"**Sans Famille.**" Directed by Marc Allegret. Academy. Celluloid version of Hector Malot's nineteenth-century juvenile classic that is of an artlessness which has to be seen to be believed. The French producer lays his London scenes in the most unmistakable Paris, gives us a typical chateau as a West End town house, provides a London pub that combines the Parisian *bistro* with the *thé-dansant*, and depicts an English working-class family at table with checked cloth, wine-glasses, and carafes. Add policemen who really are wonderful, and the sudden and unexplained metamorphosis of a two funnelled into a one-funnel Channel steamer, and you have the "Young England" of the screen. If there is a funnier show in town, I shall be glad to be led to it.

DAVID OCKHAM.

At the end of the campaign the candidate usually makes some comment on his success or failure, but the agent waits for the reaction upon his party. Until that reaction has manifested itself, the campaign is not complete from the agent's point of view. By that time the election has become a matter of history to the average onlooker, and there are very few who are interested in any observations the agent may care to make. Silence is then forced upon him, particularly if the candidate did not happen to head the poll.

From that preamble it will appear that normally there is very little that can be usefully said at this stage about the last election, and but for the fact that some entirely erroneous conclusions have been drawn from the fate of the Social Credit candidates, there would be nothing to say.

It has been suggested that Social Credit can best be achieved by using the political machinery of other parties.

Every election agent knows that type of gate-crasher and how to use him. At least thirty groups and associations demanded the signature of my candidate to their particular pledge at the last election. They ranged from war spinsters who wanted pensions, to the imposing *Council of Action*. There was the usual one from the advocates of Local Option, who have been at it for the whole of this century without any appreciable result. Most of them went into the waste-paper basket without further consideration. Agents know that the mass of electors entirely disapprove of groups who endeavour to go one better than the independent voter—and to that extent depreciate the value of his single vote—by any method which may suggest intimidation.

We also know that since the huge electorates of 1929 it would cost any group as much as an election campaign to rally any large body of opinion one way or the other in our particular division on election day.

I doubt whether there is a single M.P. who can definitely say that by signing the *Council of Action* pledge he was returned and would not otherwise have been. Many of its supporters were very well down.

From time to time agents or candidates of opposing parties have agreed to treat all such correspondence and demands with contempt, and where this has been achieved it has made no difference to the percentage of voters who polled, or to the result.

All sorts of things happen in practical politics and from various causes, but the only reason for a split in a party is ineptitude in leadership. Nor does one need magical powers to predict that the type of elector who has been attracted to Social Credit and directed to use his democratic power to bring pressure on his M.P. will be long in discovering that the same power can be used alternatively to forward his own movement.

The Orage Club.

The next dinner of the Orage Club will be held on Wednesday, January 22, 1936 (the anniversary of Orage's birthday), at the Florence Restaurant, Rupert Street, Piccadilly Circus, London, W.1, at 7 p.m. for 7.30 p.m. Morning dress. Members may bring guests.

The guest of the evening will be Mr. Holbrook Jackson, who will talk on "The Early Days." The chair will be taken by Mr. Will Dyson.

Applications for membership of this Club should be addressed to the undersigned.

André M. Byrne (Hon. Sec.),
28, Eastholm, London, N.W.11.

Notice.

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

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

LETTERS TO THE EDITOR.

SIR JOSIAH STAMP'S LECTURE.

Sir,—Sir Josiah Stamp says he wants "some beginning at measurement and common unity of thought" on the question of finance, Social Credit, and "poverty in the midst of plenty." The only "common unit of thought" is the postulate and axiom, which is "granted" or is a "statement the truth of which is obvious." His attitude is correct, particularly when addressing a science guild which presumably reasons from postulates, such as "a straight line is the shortest distance between two points" instead of bouncing into Euclid at the forty-seventh proposition. Two postulates—which it is open to Sir Josiah Stamp to challenge if he is blind to the obvious—are, that (1) every industry has two charges, overheads and direct, and (2) direct charges only are available as purchasing power. At one extreme a pedlar on the street must have a licence (not to mention boots), at the other extreme overheads are about 95 per cent., and in one large and growing industry—the motor trade—about 93 per cent. It is obvious that direct charges are not equal to direct plus overhead charges and that there is insufficient money passing through industry to meet prices, whether Sir Josiah Stamp damns $A + B$ or not, also it is obvious that the only remedy is to issue sufficient money direct to restore the balance, which—by definition—is a "National Dividend." If he will not state the postulates (which are obvious) on which he bases his case we are entitled to presume that a gigantic swindle is going on, and if he accepts the above postulates and proceeds to build up his case on them he can take it that there are hundreds of Social Creditors who will be delighted to hook him out of the ditch if he falls off the asses' bridge. T. TODD.

SOCIALIST IDEOLOGY.

Sir,—In order to mitigate the immense damage done to the Social Credit movement by Major Douglas's "New Year's Message" in *Social Credit* (January 10), I have sent the following letter to the editor thereof. In the interests of the movement I enclose a copy for your publication, as I feel too much publicity cannot be given to this repudiation of the narrow partisanship of the message.

(MRS.) GLADYS F. BING.

The Greenwood, Sandy-lane, Oxted.
January 10, 1936.

[COPY.]

Sir,—As an ardent Social Creditor, I wish to protest against Major Douglas's foolish and unwarrantable assertion that the rank and file of the Labour Party have had imposed upon them ideologies provided by "long-haired men and short-haired women," who "have had no experience either of the day to day or minute to minute problems of the real world in which they live, nor any conception of the practical results of putting into operation the wide schemes of planning which they produce with such facility. The fact that they were fifth-rate experts is not the point . . ."

The ideology of the Socialist political parties was not provided by any "expert." It is a *tradition*, and part of an evolutionary effort. It enunciated the Social Credit proposals in 1897, and in so far as life has become tolerable for the masses, the steady pressure of Socialist policy, and no other influence, has produced it.

As most of the pioneers of Socialism were working men and women—toilers with pick and shovel, as well as students of history; making personal contact with the money-shortage, as well as fighting personally in the political arena—their practical knowledge of life was as valuable as any academic expert in sheltered Government service is likely to understand.

In any case, the attributes of long-haired men and short-haired women have given us the social amenities always fiercely combated by the owners of long investments and short consciences so ardently wooed by Major Douglas—without avail,—Yours, etc.,

Points From Letters.

"POINTS FROM INQUIRIES."

Sir,—Re Query No. 1, from D. J., and similar queries, I should recommend *Money in Industry*, by M. Gordon Cumming. I have been much impressed of late with this work, and have no hesitation in putting it forward as the soundest and most convincing treatise on S.C. theory that has appeared up to date.

I think there are very few queries relating to $A + B$ that cannot be dealt with by referring the enquirer to that work.

A. W. COLEMAN.

Forthcoming Meetings.

The Social Credit Party of Great Britain.

National Headquarters: 44, Little Britain, E.C.1. 8 p.m. Wednesday, January 22.—Speakers' Class. Subject for discussion: Draft Parliamentary Bill to Equate Consumption to Production in Great Britain.

London Social Credit Club.

Blewcoat Room, Caxton Street, S.W.

Jan. 10, 7.45 p.m.—"Money and Banking," by Mr. Ewart Purves.

Jan. 17, 7.45 p.m.—"Social Credit Made Easy," by Mr. H. Best.

The New Age Club.

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Enquiries to the Hon. Secretary:
Mr. T. C. Wrycroft, 88, Heathbank Road, Cheadle Hulme,
from whom reserved seat tickets may also be obtained.

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