

THE NEW AGE

INCORPORATING "CREDIT POWER"

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NOTES OF THE WEEK.

The Times has an important leading article on the breakdown of the conference between the employers and employed in the cotton industry. It is in the issue of March 12. Describing the causes it says:—

"The responsibility for the actual breakdown plainly rests with the employers. From the outset the atmosphere of the conference was compromised by the precipitate action of the owners of two of the mills, who had attempted to enforce in one instance the working of a double shift and in the other an extension of the working week from forty-eight to fifty-five and a half hours. It is true that the masters' organisation has dissociated itself from any such grossly irregular conduct, and that one of the mills in question has resigned from the Spinners' Federation. Yet these incidents undoubtedly helped to create in the minds of the operatives' representatives the impression that, apart from the question of hours and wages, the employers had little intention of entering on any serious discussion of the costs of production. That impression was not unnaturally confirmed by the refusal to consent to the appointment of an independent chairman, which led to the actual rupture of the negotiations. It is equally clear also that on the operatives' side there was a settled determination to resist any such encroachment on their standard of living; and that determination was reinforced by the shrewd suspicion that, in the event of a deadlock, there was not sufficient unanimity among the employers to enforce their demands. In these circumstances the conference was clearly doomed to failure."

After remarking that the employers as a whole are not enthusiastic for lowering wages and increasing hours, it proceeds:—

"The latest pronouncement of the Federation, repudiating short time and advocating larger and cheaper production, shows that even after seven years the master spinners have scarcely begun to understand the real nature of the problem. What is needed is not an *undiscriminating orgy of over-production*, which could only drive prices headlong and so intensify the continual cut-throat competition and weak selling which have proved so disastrous, but a deliberate and concerted attempt to *cheapen the present volume of production* by concentrating on the better units, eliminating the less fit, and cutting away once for all the dead weight of debt charges inherited from the frenzied financing of the post-War 'boom.' Until a

drastic reorganisation on these lines has been undertaken any discussion about hours and wages is altogether premature." (Our italics.)

What *The Times* calls "over-production" is not production in excess of the needs of the population, but production-costs in excess of the money recoverable from the population. It is true enough that prices would fall headlong in a system which neglects to regulate prices and protect sellers at the regulated prices. But *The Times's* alternative is no improvement. The elimination of less efficient units and the writing down of inflated capital would not improve the ratio between the total costs of cotton-goods and the total incomes of home cotton-buyers. There would still be an "orgy of over-production," even on an unincreased volume of output. More "efficiency" with the same production means less employment for the men. The same "efficiency" with more production means greater losses for the masters. Out of this dilemma there is no escape but through a revision of cost-accountancy.

"Meanwhile the need for prompt action is becoming more urgent week by week. During the last few months the condition of the American section has sensibly deteriorated. The stream of bankruptcies is increasing in volume, and the tide of financial embarrassment is beginning to engulf even the sounder concerns. The calling up of capital by the weaker mills is endangering the position of the stronger by causing the withdrawal of loan moneys, and the limits of bank advances have long been reached. Mills have become practically unsaleable except at break-up prices, and machinery is even beginning to be dismantled and sent abroad to swell the productive power of the competitors of Lancashire. How far the gradual process of attrition will continue if the economic forces now at work are given unrestricted play it is impossible to foresee, but it is clear that the process is at present only beginning. Left to themselves things must go from bad to worse. . . . The necessities of the moment, so far as the American section of the spinners is concerned, are the concentration of production, the elimination of uneconomic competition by the deliberate closing down of the weaker units, and the clearing up of inflated balance-sheets."

These "necessities of the moment," in terms of reality are, in order, the dismissal of operatives, the

tightening up of prices, and the fleeing of shareholders. In sum, these three "necessities" resolve themselves into a widening of the gap between prices and incomes in the home market. Yet it is precisely because a gap now exists that there is the present trouble. *The Times* argues as though a moral quality like "efficiency" can create a financial demand. But the provision of the money thus expected to become available is not related at all to the exercise of purely economic energy. If it were so why should "over-production"—which is obviously a sign of increased energy—be the cause of a fall in prices? The operatives want, so to speak, more shirt-money. They really want more shirts. That is what they are agitating about. Yet the "necessity" of the situation is supposed to be to keep the volume of shirt-production at its present level and to distribute less shirt-money. We suppose the shirts so "saved" are to be sold abroad—possibly to the countries to whom, as *The Times* records, Lancashire has been selling shirt-making machines at scrap prices! And even if the shirts do find a foreign market, and, according to orthodox teaching, exchange for an equivalent import, the receipt of this import will not create pounds sterling to buy it—and if not, the operatives will remain without their shirts or substitutes for shirts.

But we may be doing an injustice to the intelligence of *The Times*. It may have used these arguments simply to pad out its article, its real objective being to make more imposing an ostensibly spontaneous demand for "prompt action" which it already knew was forthcoming. At any rate, in the issue of the day following the article there appears a communication from its Correspondent in Manchester, who explicitly refers to this article, and assures all who may be anxious about it that the desired "prompt action" is "much nearer being taken than recent outward events in the industry have suggested." We can only guess, but we are in no doubt that *The Times's* scare article about the problem was written by pre-arrangement with interests who had already devised a plan to deal with it, but first got *The Times* to ask for it to be dealt with in that way in order that when the plan was subsequently published it would appear to have come in deference to an "organ of public opinion." An examination of the forecasted principle of the plan, of which "details may arrive in a few days," shows that it is inspired in high financial quarters. It is a movement to "combine the American-cotton spinning-mills into what would be a very large amalgamation." The Correspondent adds: "I believe actual investigation including 'a re-valuation of existing plants on a unit basis per spindle and mule.'"

Certain information indispensable to such an inquiry is already available from the records of many of the original, and also of the recapitalised, concerns. The Master Cotton Spinners' Federation itself, proceeding on the balance-sheet value of the buildings and plant of original and 'turnover' companies, has recently found that the capital of 96 original companies can be assessed at 16s. 2d. per spindle and of 213 reconstituted companies at 53s. per spindle. It is known that 168 American cotton spinning companies received 50 million pounds on recapitalisation during the 'boom,' whereas their original capital stood at 84 millions."

These figures are useful in indicating the extent to which the banks permitted (and often assisted) inflation in mill costs. Now that the banks' power over industrial finance is coming to be recognised, there is no need for us to elaborate the contention that they could have prevented this orgy of over-capitalisation. They would probably reply that it is not their business to discriminate between the purposes for which people borrow and use money. But that would evade the point. We are not saying they

could have stopped the cotton boom alone, but that they could have imposed their general deflation policy earlier than they did, and so prevented post-war booms of all kinds if they had wished. We do not mean by this to imply that they ought to have imposed deflation, but that, since they had decided to do so they should not have waited until hosts of small people, who had done well out of the war in their various humble degrees, had invested their savings in investments which were foreknown to the banks, and to no one outside, to be lost. They stood by and watched thousands of cotton operatives putting all the money they had, or could raise on their private property, into re-organised companies. Nor was this more than a fraction of the injury done to the operatives. The real trouble is that these little investors used all their money to pay the initial call on shares valued at anything up to ten times the amount called up. In some instances shares were in 10s. denominations, and only 1s. was called up. Naturally the unsophisticated workman used his 10s. to acquire ten shares, little realising that he had thereby legally bound himself to pay the company another £4 10s. in case of necessity. Even in instances where he realised it he never looked on it as a practical possibility. How could he, when he saw everybody rushing to participate in the fortune for cotton goods? In his artless way he probably inverted the idea and planned with his lass what they would do when their partly-paid shares would be worth 12s., 15s., or £1 each to sell anywhere. To-day those shares are not worth anything at all, and their proprietors are being compelled to pay up their 9s. a share. That is what "the calling up of capital by the weaker mills" (in *The Times* leading article) entails.

The Times Correspondent goes on to say that the attitude of the banks "seems likely to be favourable" to the scheme of amalgamation. Of course it does, for the scheme regards the inflated capital as "irretrievably lost," and insists that "proportionate sacrifices" should be made by "all classes of interests" entering the combination. It would be governed by a "control board"—a "holding company"—the chairman to be a "prominent and hitherto successful commercial man." Individual mills would be administered by whole-time paid managers instead of by boards of directors. It appears that a great deal of freshly-called-up capital has been previously used to pay interest on debt. This would now stop, and in future no shareholder or loan holder would receive anything that had not been earned as a profit. We presume that the banks would share in this part of the "sacrifice" in order to make the arrangement look fair all round. But the arrangement is not fair. It is not necessary either. Whether the victims, high or low in industrial status, are capable of realising it is another matter. What has really happened has not been an irretrievable loss of capital but a retrievable cancellation of money. When £84 millions of original capital, a fair redistributed as £134 millions of new capital, a fair proportion of the profit of £50 millions on the deal would be in the form of shares of the amount invested well as money. Whatever the amount of money was—let us call it £20 millions—was largely invested elsewhere by the recipients. It may have bought shares in sounder enterprises or it may have bought Government securities. In either case, the £20 millions would eventually reach the total volume of liquidate bank assets. As Mr. McKenna has pointed out, such an operation diminishes the total volume of credit in circulation, because the amount is written out of existence. What the bankers did was to encourage potentially weak concerns to plant low-grade securities on the public, and to use the proceeds to

buy high-grade securities which they themselves wanted to sell. We do not charge this to the account of the branches of the joint-stock banks immediately involved in the cotton crisis, but to that of the central body of banker-statesmen. This body willed what has happened. It has ruined whole townships for the sake of reducing the ratio of credit to currency or gold—all out of a misconceived loyalty to an unsound accountancy-rule of its own creation. The logical remedy is to reverse the above process. The "lost" capital, having been prematurely retired from consumer markets, should be re-issued. The affairs that need re-organising are not those of the cotton industry, but those of the banking profession. The industry is capable of improvement no doubt, but give it customers with money in their pockets and it will improve itself without external help. The safeguards which can render the restoration of this lost capital to the public by the banking system in the form of new credit a safe and practical step can be explained at any time. The immediate problem is to get Manchester and Oldham to realise the soundness of the principle.

The Hon. Elsie Mackay, whose death at thirty-four is now presumed, was a remarkable woman. Here is a table of her accomplishments as recorded in the *News of the World*—

Took up flying in 1922.
Became a member of the Advisory Committee of the Pilots to the Air League.
Dressed well. A good dancer.
An expert horse-woman.
Designed the interior decorations of P. and O. liners.
Distinguished herself on the stage and in the films.
Was a marine engineer.
Dark. Vivacious. "Nerves of steel."

According to the same report she married Mr. Denis Wyndham, an actor, in 1917. The marriage was annulled by the Edinburgh Court of Session in 1922 at the instance of Lord Inchcape. The ground of the action was that a false declaration had been made as to the period of her residence in Scotland before the ceremony. The suit was not defended. After the decree of nullity Miss Mackay resumed her maiden name. Her companion in this last tragic flight, Captain Hinchliffe, was one of the most useful airmen belonging to this country. He married his wife in 1921. He leaves two children, one aged four and a half years and the other aged three months.

We are all for women of high courage being permitted to run high risks. But they should not drag men in to share them. Last August how much better it would have been if Princess Lowenstein-Wertheim and Miss Mackay had paired off on the fatal flight to Ottawa; for then the lives of Captain Leslie Hamilton and Captain Hinchliffe would have been preserved to undertake flight-duties which may yet be of vital importance to Britain, instead of being wasted on feats of exhibitionist courage. If lives must be wasted at all let them be women's, for there are a million or more of them than can marry and have families. With all independence. Again, no matter what views a man may agree to hold on the "equality" question, when a moment of critical danger comes the man's nature sweeps them all away and the woman becomes protected. Let her nerves be of "steel," it makes no difference: she is a responsibility, and therefore an added handicap to the man.

These flights are defended on the ground that someone must take risks as pioneers in establishing a quick method of inter-communication between countries. What service to civilisation will have been performed when the problem has been solved nobody stops to inquire. There is an arguable general case for shortening journeys under the existing economic system, and there is a specific commercial gain to the producers of a markedly efficient aeroplane. But the value of these considerations depends entirely upon whether competition in manufacture and transport is bound to continue in its present form. What does it matter whether one takes seven days or seven hours to cross an ocean? The necessity for saving time is not a real necessity, but the outcome of arbitrary time-restriction imposed on humanity by an unsound credit policy. Reform the financial system and life will be long enough for the most leisurely travel. Men will not have to rush, nor goods have to be rushed here, there, and everywhere to manufacture minutes. The idea of "better understanding" does together as a means of "bringing the world nearer" not impress us. Nations will be better friends the farther apart they keep. Give an Englishman leisure, and he can search among the fifty million other English adults and babies for friends; and if he cannot "find his soul" without the companionship of an American or Russian, he will probably appreciate them the more if it takes him a week or two to reach their front-doors. For people who wish to be conversant with the "cultures" of other nations there is the post office, and newspapers, and books. Foreigners look best at a distance.

Until further notice the feature, "Views and Reviews," will not be contributed exclusively by R. M. It will be the work of several writers, who will, of course, be entirely responsible for the views they express.

"I am one of those who have consistently held for the last four years, and have continually said, that the financial policy of this country has been handled far too much from the point of view of finance, with too little regard for the position of industry."—Sir Alfred Mond in *Industry and Politics*.

"It has been calculated—I think, correctly—by various authorities, that one result of the return to the gold export standard, a result of the rise in the £ in relation to the dollar, is to add between 1s. 6d. and 2s. to the price of every ton of coal we export from South Wales. . . . The coal crisis of 1925 came along; it came slowly. It did not come in a week; we all knew about it. It was largely produced by the financial policy of the Government, and yet it found the Government entirely and absolutely unprepared."—Sir Alfred Mond in *Industry and Politics*.

"Count Volpi, Foreign Minister of Italy, took occasion on February 1 to voice his thanks to Benjamin Strong, Jr. Governor of the Federal Reserve Bank of New York, and Montagu Norman, Governor of the Bank of England, for the credits arranged on behalf of that country's re-turn to the gold standard. . . . The whole Senate furtherance of the plans to bring about that country's cheer as the Finance Minister expressed grateful thanks to the Governors of the Bank of England and of the Federal Reserve Bank for their share in the negotiations which had resulted in \$125,000,000 credits being placed at Italy's disposal. He rendered special thanks to Governor Strong, who journeyed from the United States to England for this specific purpose."—*The Commercial and Financial Chronicle*, February 25, 1928.

"Henry Ford's Dearborn *Independent* ceased publication with the December 31 issue. Mr. Ford's announcement last summer that the *Independent* would be discontinued followed settlement out of court of the Ford-Shapiro libel suit. Mr. Ford acquired the publication in 1918. It was not until May 22, 1920, that the Jewish articles began to appear, and the series ran regularly until January 14, 1922. The magazine was unique in that during its first five years under Ford it refused to accept advertising."—*Wall Street Journal*, February 2, 1928.

Social Credit Policy.

II.

They say that it takes at least three consecutive appearances of an advertisement to evoke active response from buyers. If so, the sales of the new pamphlet, *Social Credit in Summary*, since our first announcement, of last week, is encouraging. About 500 copies were sold up to Saturday last—this number ought to be exceeded in the present week, and we hope that every reader will make a point of taking at least a few copies, whether he sees an immediate use for them or not.

The pamphlet is not a "popular" one in the accepted sense of the term. It will not achieve its main object except in the case of people who are prepared to concentrate their own thought upon the arguments set forth in it. This object is to get people to take up the *systematic study* of the Social Credit Theorem with the intention of themselves teaching it to others as soon as they grasp its essential principles. Now such students are hard to find. From this point of view the distribution of the pamphlet will involve a large proportion of what is called "waste circulation." At the same time, if only one person in a hundred responds in the manner desired, and himself becomes a distributor, the "waste" will be worth while. The production of a large quantity of these pamphlets is a small problem. The great problem is to increase the number of propagandists who can use them, that is to say, propagandists who are more or less able to explain and elaborate what is in them.

There are roughly two categories of people to whom the pamphlets can be sent—(a) a very large number who can exert only a remote influence on national policy; and (b) a very small number who can exert a direct influence thereon. Let us call them the "weak" and the "powerful" respectively. Now, in view of our hypothesis that the economic situation is developing towards a supreme crisis in a short time, the key "prospects" (to use an advertising term) are the powerful people, people who can, if they will, take the most *effective* measures in the *quickest* time to avoid a catastrophe, or—even more important—to consolidate the resources and morale of the British Empire in the event of its being overtaken by a catastrophe. In such circumstances it is obvious that a couple of thousand ordinary people in the country who know the principles and technique of Social Credit are worth hundreds of thousands of similar people who have simply a vague idea that "the banking system is at the bottom of the trouble"—however intensely they may feel about it. Admitting to the full the apparently overwhelming obstacles to the conversion of the powerful by coherent constructive argument, this is the only argumentative force that can convert them. Incoherent uninstructed moral indignation they will laugh at. They are trained to exploit it. They will never fear it unless and until it results in direct action—and even then the action will have to be of a certain nature.

That is why we disfavor the policy of the Social Credit Movement's joining in with other agencies of reform with the object of concerted agitation. It could only rely on the allegiance of its allies in so far as the agitation followed "constitutional" lines—that is to say, in so far as the stream of popular emotions evoked by their combined efforts could be pumped into the evaporating pans of the popular ballot. The alternative is two-fold: (a) for the Movement as such to concentrate in complete independence on teaching Social Credit without dilution or compromise; and (b) for each individual member, according to his judgment, to help to stiffen any local spontaneous acts of revolt that may occur

against the existing system, whether "constitutional" or not.

The crisis in the cotton industry to which we refer in our Notes affords an opportunity to put ideas into some fairly influential heads in Manchester. There is, for example, a striking letter in *The Times* of last Wednesday commenting on its article of the Monday. It comes from Mr. Edwin Stockton, of 78, George Street, Manchester. In it occurs this passage:—

"It is indeed a sad fact to have to realise that our greatest exporting industry is in such dire straits, owing very largely to a lack of foresight and statesmanship on the part of those at the head of affairs."

He thinks there must be a "proper solution," and that it can be found and made effective if the difficulties are "faced and tackled at once in the right spirit." His last sentence is: "Lancashire's reputation for common-sense is in the melting pot." There is, of course, nothing in this letter to prove that his mind is open to suggestions otherwise than from recognised authorities, but it is for such people as this who emerge into print on critical occasions that our readers should be on the look out, and to whom they can send the new pamphlet, together with a short covering letter. The letter itself need not present any arguments; it can be a simple advice that the pamphlet is enclosed. If desired, the sender can call attention to those paragraphs in it which bear more directly on the circumstances of the case in question. For identification the numbering and cross-references will be found convenient. The pamphlet should not be sent in an open envelope, and especially not if the intended recipient is likely to have a private secretary or an office staff to open and sort his correspondence. In such cases it might sometimes be worth while even registering the letter. An elaboration of this idea would be to enclose a stamped (i.e., open envelope, asking the recipient, if he should have no time to consider the subject, to endorse and forward the letter and pamphlet to someone who is likely to do so, and whose judgment he respects. If, as will often be the case, he is attached personally, or through his business, to a trade or other association, he will probably know someone in it whose function it is to investigate matters of this sort.

Two readers in Bournemouth have recently had a small leaflet printed, in which they offer to discuss or lecture on the subject of "Poverty" and its abolition. This is an example of individual initiative which we admire. There was no such thing as "writing to headquarters," asking "Don't you think" this or that "ought to be done?" These gentlemen thought of the idea, and went straightway and carried it out. If they had submitted it to a committee, the chances are that about twelve different drafts of a leaflet would at present be engaging the attention of the sixth adjourned meeting of the committee. Another idea which a reader is trying is something that he calls the "snowball lunch" system. He gets two likely friends to lunch, and discusses the credit problem with them in its main general phases. He then gets them each to undertake to invite two friends and to have a similar talk with them. And so on. Although the practical difficulties are obvious enough, here again there was no time wasted in discussing them: this gentleman thought the plan might work, and decided to try it and see. This is to invert the futile policy of people who turn up at meetings with no end of ideas for the ordinary organisation, which is always full of scale, and only then look round for those who would like to help. We invite other readers to report any plans they are carrying out.

The Financial Structure of Industry.

By C. H. Douglas.

I.

It has probably not escaped the attention of those who are interested in such matters that the industrial conflict has notably changed in emphasis during the past ten years.

Those of us who were in touch with industrial affairs prior to the European War became familiar with the idea that the industrial and economic system was split up into two portions, one consisting of employers and the other of employed, and that it was in the nature of things that these two sections should be more or less at variance. It is symptomatic of the change which has taken place in regard to this idea that an air of unreality is produced upon us by the use of the very phrases "employers" and "employed" at the present time. Such words as "managing director" and so forth have replaced the word "employer," or even the older word "master," and while in many cases we may not be fully conscious of it, there is a tacit realisation of the fact that the difference between these exalted officials and the so-called rank and file of industry is merely a difference of degree and not a difference in kind. Now it is true that development in this direction was in progress before the outbreak of war in 1914, but, speaking with some special knowledge of the facts, I think there is very little doubt that this situation became highly accentuated about 1917, and it seems to me to be of some importance to examine what happened then and the consequences which have evolved as a result.

In 1914 the industrial system of this country still retained a degree of individualistic effort. There was a certain amount of Government intervention in industry, chiefly through the agency of such measures as the Factory Act and so forth, but so far as the general policy of a business was concerned, it was not subject to any form of external control. Whether because of this or for other reasons distinct from it, the early period of the Great War was marked by a considerable amount of profiteering in munitions and a lack of co-ordination in the placing and execution of orders. With the downfall of Mr. Asquith's Government and the rise to a position of almost autocratic power of Mr. Lloyd George, the Ministry of Munitions came into being, and the position of the individual manufacturer underwent what can only be regarded as an epoch-making change. In most cases he became what was called a controlled establishment, and every aspect of his business, financial, administrative, and technical, became subject to rigorous inspection, and in many cases to the initiative and orders of officials otherwise unconnected with the business. State Socialism came into its own, and the psychology which rapidly evolved from it made State Socialism more unpopular in two years than "Capitalism" had been in a century. This was obvious enough, though to be fair, it is quite possible that under the circumstances it was the one available method by which the supreme crisis of the war could be met in the time available. But it had aspects and consequences which have persisted long after the crisis, which they were perhaps designed to meet, has passed.

It is relevant to a comprehensive understanding of this position to realise that with the fall of Mr. Asquith's Government and the rise to power of Mr. Lloyd George there was a shifting of control in this country outside and apart from that associated

solely with any political party. Broadly speaking, the great force in the ascendant during the period of Mr. Asquith's ministry was that of the Roman Catholic church, acting mainly through the Civil Service. Broadly speaking, the force which came into control with Mr. Lloyd George was that of the international Jew, and it was roughly coincident with the Balfour declaration, the quite astonishing emergence of South Africans into prominence in the Ministry of Munitions, the arrival in this country of American bankers and accountants, the mission of the present Lord Reading to Washington, and the entry of the United States into the war. The relevance of these matters arises from the fact that a great "policy" determines to a large extent the type of mentality which will fill positions of influence under it.

Now there is, of course, always a great danger in considering matters of this kind that one be led into making rather too neat a story. But I do not think there is much doubt that most of the events just indicated, and a number of others of the same character, do roughly bear some connection to each other, and are of importance in considering the events subsequent to the Armistice. The rôle of the so-called American Banker has been explored both in this review and elsewhere during the past few years, but the assistance he has received from the accountant through the agency of Company Law is, I think, not so well understood.

At the beginning of the period to which I have referred, there arrived in London from New York Mr. (now Sir) Samuel Hardman Lever, a New York accountant of large practice in connection with Wall Street affairs. I have never myself met Sir Hardman Lever, and beyond the fact that he immediately became an individual of almost supreme power in regard to the relations between accounting and finance as applied to the production of munitions, I do not know anything about him. He is still in London, and is associated with American financial activities, notably in connection with the Underground group, presided over by Lord Ashfield. Sir Hardman Lever's duties rapidly became such as to require a large staff, and amongst these was Mr. (now Sir) Mark Webster Jenkinson, whom I have met. Since the war Sir Mark W. Jenkinson has been on the Boards of companies such as Messrs. Vickers, and others which have been drastically reconstructed. It does not seem unfair to assume that he has been on these Boards as the representative, quite possibly unconscious, of interests not out of sympathy with those previously indicated. This assumption is strengthened by the fact that as a result of the change of control in the Metropolitan Vickers Co., on the Board of which Sir Mark Webster Jenkinson had a seat, "the directors have to announce the resignation of Sir Mark Webster Jenkinson. They also have to announce with much regret the resignation of Mr. R. S. Hilton." From the allocation of regret in this announcement it is justifiable to assume that with the passing of control also passed the desire of the company in question for this particular director. The preceding surmise has the result, I think, of enabling us to identify the derivation of various reconstructions which have taken place in the last few years. It is of some interest to obtain an idea as to the nature of this policy. Fortunately Sir Mark Webster Jenkinson has himself explained it in a paper before banking and accounting institutes in Sheffield, entitled "The Value of a Balance Sheet." Before proceeding to an examination of this paper, some explanation of the peculiar position of the Chartered Accountant under Company Law may be of assistance to those who are not familiar with it.

(To be Continued.)

Pest.

By Hilderic Cousens.

The Plague which ravaged London in 1665 and the Black Death which carried off a third of England's people in 1348 are stock subjects for the English schoolboy's history lessons. But I much doubt whether he hears of the more chastening history of 1918, when Spanish 'Flu swept the world and in India alone killed more people than were slain in all the Great War. A great deal of man's history can be written as the story of plagues and diseases. The Crusaders, for example, among their other disservices to Europe, brought back from the East the rat which spread bubonic plague—a pestilence which swept through England and the Continent for centuries after, now with less, and now with greater violence. Syphilis entered Europe with the crews of Columbus. During the VIIIth century Yellow Jack slew more than three hundred thousand English soldiers and sailors in the West Indies. Malaria was one cause of the decay of the Roman Empire, as it is a principal cause of the wretchedness of Central Africa have been wasted by the tse-tse fly. Side by side with such spectacular assaults on humanity, a host of enemies wage endless war on us and our possessions. Only recently have organised efforts begun to be made to subdue them. Previous to last century the world put its main trust in such expedients as prayer, witch hunting, exorcism, persecution of the immediate victims, and even judicial arraignment of such more obvious curses as plagues of mice and beetles.

To-day this country is under constant attack from a great variety of animate foes. The rat, the sparrow, the black-headed gull, multitudinous insects such as the fly, the louse, the wire-worm, and the flea, funguses galore, and legions of bacteria, assault its health, its property, and its comfort. The inadequate measures taken to deal with these things, even where enough is known about them to render us able to restrict or end their operations, is revealed by the unpleasant fact that the rat is at present gaining ground. "Either man must end the rat, or the rat will end man." To increase our knowledge where it is lacking, our measures are similarly inadequate. A few hundred pounds only have been spent on investigating a potato disease which is reckoned to do damage amounting to five millions a year. Insects destroy at least one-fifth of the world's crops, yet a few years ago the paucity of jobs open to entomologists made the study of insects pretty nearly the most unsatisfactory profession one could adopt. The plover, the badger, and the fox illustrate the lunatic policy of preferring the pleasures of a few to the welfare of the many. The plover feeds almost exclusively on injurious insects, yet because its eggs are a gastronomic delicacy for the rich, efforts to prevent its extermination by prohibiting the sale of its eggs have so far failed, though with Pecksniffian gesture the law prohibits their taking. The badger is another devourer of vermin, but has been almost killed out by thick-headed yokels. Nobody has yet found any merit in the fox, which besides destroying poultry may well be a carrier of "foot-and-mouth" disease, yet it thrives because a handful of people enjoy chasing it. Three things very largely account for the greater attention at last being paid to the problem of pests. The first is the steady growth of scientific knowledge, so that what in the past was looked upon as Act of God for the punishment of the wicked, is now held to be the automatic consequence of assailable forces. Second is the direct humanitarian interest of the usual handful of men who have applied and preached the application of the new-won knowledge.

The third is the profit-making incentive, which has set more and more men, from the village rat-catcher to the Mond chemical trust, trying to benefit themselves and others by the sale of their goods and services as destroyers of vermin. This, working on the foundation of the others, may prove decisive. Just as the pious folk who proposed to deal with cholera by prayer and sermon doubtless paid their rates for a sound water system a little later, so, for instance, the pedants who objected to the College of Pestology because "pestology" was a neologism with one Latin and one Greek root, are probably, if feebly, calling for a safe milk supply, and, when some firm has paid for enough newspaper space, will buy fly-poison in substantial quantities.

Every allowance—and it must be large—being made for the laziness and superstition of man, there remain two obstacles to a satisfactory onslaught on his worst and most pertinacious foes. There is the all-too-familiar "shortage of money," which estops the appropriation of the credit necessary to train and pay the personnel or employ the available qualified personnel, to establish and maintain the requisite plant and material, and to administer and advertise (propaganda). No one supposes that the men and means are not to be found to exterminate the rat within ten years, but what is not supposed to be available is the mysterious and unreal "money" which would organise them. The other obstacle is that some pests are all the time and others on occasion actually beneficial financially to some sections of mankind. The former are most remunerative to the priesthoods of backward nations, while the latter justify themselves because a diminution in the supply of a crop may cause a disproportionate rise in its price, so that efforts to end the pest are half-hearted. I need only mention as the most notorious the cotton boll-weevil. And just as the bread-and-butter interests of doctors are too much bound up with the continuance rather than the end of disease, so we may doubt whether the extirpation of the insect and vegetable parasites of fruit and root crops would increase the net income of agriculturists of this or most other lands. For under our moon-struck finance, solvency lies in a judicious moderation in providing the goods everybody wants, but can't pay for.

SOLILOQUY OF THE ARTISTS.

It is our pride to be
Independent as the cat,
Shunning attachments that
Should limit our ubiquity.

The imprisonment of
Property we abhor
But even more
The yet more galling chains of love.

We are (it is our vaunt)
Of no more fixed abode or home
Than Paris, London, Rome
Affords for tent's-pitch, three-nights'-haunt.

We strike no roots:
Assume no preconceived set role:
Seek no shell for the soul:
Are this or that as suits.

We admire the cat not only
For its independence but for its privacy:
Contrive to be
World-intimate and sedulously lonely:

Call nothing sacrosanct:
Spare none, not even ourselves: dissect
All, ourselves most of all: nor expect,
Save after our death, to be thanked.

A. S. J. TESSIMOND.

Views and Reviews.

GOVERNMENT BY GREATNESS.

By Philippe Mairet.

Asked what the future of Government will be, one naturally seizes the opportunity to paint the State of one's dreams, for the future is the realm of desire. But only a poet or a child could quite so simply improve the occasion. Most men doubt whether their hopes are possible of realisation—especially their political hopes. They can only give a liberal balance between the realisation they desire and the obstacles they have experienced as realities. In Mr. Hamilton Fyfe's "Archon,"* hope and disillusionment appear almost to have cancelled each other: so that his world of the future looks pretty much the same as the present. There is bad government, he says, and there is worse government, but there is no good government. The history of man's instituted authorities is a history of futilities, only more or less extensive in scope: and with little more relation to real human development than the ripples upon the surface of a river bear to the current of its depths. Indeed, the only encouragement we get from the history of politics is the demonstration of a strength in society which is greater than any conceptions of its rulers. We realise that there are profound realities of co-operation and common development which survive all efforts to restrain them and surpass all official organisation. You cannot demonstrate from history, with any certainty, that people either flourish under free institutions or languish under tyranny. Whether the standards of judgment be cultural or economic, prosperity seems to have singularly little to do with the state of public policy. The real welfare of the people depends upon realities so deep and continuous that they go unrecorded, while public life is being swayed by the fascinating fictions of Great Personalities or Big Ideas. Men fasten their faith in social salvation to a great man or a great idea, forget all reality in an orgy of admiration and fear around their new idol of authority, sometimes picturesque and generally sanguinary, until excess brings reaction, fervour is called folly, and the fetish is expelled.

This need not be a lazy view, nor a doctrine of *laissez-faire*. If Government is such, there is the duty of resistance to it. We have no use for either Great Man or Great Idea if they are instruments of repression and the humiliation of the ordinary man. If there is one solid and unquestionable gain to record in the whole history of Christendom and the civilisation of Europe, one gain we must and ought to consolidate, it is the establishment of democracy—the fact that the worth and self-existence of every one has been granted, formally and in actuality, more than ever before. And if democracy is now widely discredited, the fault is not in its extension of freedom, but our failure to use it. Most of the cries we hear for dictatorship, aristocracy or "expert" government are of a regressive or infantile-psychic origin.

The present failure of Parliament, which is the indispensable instrument of democracy, is a failure deeply rooted in the history of the democratic idea. That idea succeeded in practice, not so much through the fervour of its idealists and poets as by its sheer usefulness to insurgent forces, industrial, commercial, and financial. It was the weapon to hand, against the old obstructive order of rank. Aristocracy was superseded by plutocracy in the name and disguise of democracy, and we have been strangely slow in seeing through the swindle. Until Belloc wrote "The Servile State" there were very few progressive minds which did not still believe that

* "Archon, or the Future of Government." By J. Hamilton Fyfe. (Kegan Paul's To-day and To-morrow Series. Price 2s. 6d.)

Parliament, however imperfect, was a real means of popular control. Many must still believe it, for they still consider carefully how to cast their votes for members of that assembly, who, themselves relieved of any such responsible feeling, vote in every division by direction of the party chiefs. Parliament has almost descended to be the mere window-dressing of much greater powers of government of a purely oligarchic nature. But in this declension the quality of the window-dressing has suffered. The great Parliamentary figures have dwindled to mere life-size. It is not that this is an age incapable of producing great ability: but it is becoming impossible to believe in the political Great Man. All politicians are too surely, even if obscurely, felt to be governed by Imperial considerations, international secrets of the intrigues of finance to be conceived as individual potential saviours.

Paradoxically, indeed, the failure of democracy is going to be its vindication. The whole conception of representative government was founded on a belief that some sort of ideally representative men could be invested with power. But if there were men worthy to rule in an absolute, general and unqualified sense, democracy would be quite a false idea. What is being demonstrated by events is that there are no such men. A people cannot rule itself by trusting its government to representatives, and investing them with the traditional prestige of greatness, saviourship and military power all together. It results in government by the ambitious, of the ambitious, and for the sake of inflating ambition yet further. Such men are bound to become the puppets of others who are more realistic, but whose aims are not governmental in any true sense.

Government by oppressive celebrities is going. It is against the whole tendency of the times even to believe that there are great men, in any absolute sense. The uprising of two such figures as Lenin and Mussolini since the war does not contradict this trend of thought in the Western World. For Lenin's tremendous prestige was strangely founded: the myth about him was that he was just an ordinary man "like one of ourselves." Men believed that he was somehow capable of remaining averagely human in a position of supreme power and responsibility; and his rule was fraught with dreams of a new world and a transformed society. Mussolini's dictatorship, on the other hand, founded upon exceptionalism and superhumanity, is an imitation of the past and not an augury of the future. It is possible in Italy, because Italy is the one European Power which was half out of the war, and escaped its humiliation and catharsis. In the rest of Europe the whole tendency is levelling. In a different way, it is so in America.

The very overtones of magic in such phrases as "born leader," "master of men," and "captain of industry," are diminishing in volume. We are of industry, more and more, that men are all the same overgrown babies, whose only absolute wisdom is to know it. It is long since we dethroned Shakespeare did that for us, with his historic portraits of them all as ordinary humanity thrust upon greatness: and the practice of regicide followed hard upon. We shall soon cease to deliver ourselves, bound soul and spirit, to self-styled saviours and "men of destiny"; though Shakespeare has come to show us the baby in Napoleon or to pluck out the quaking heart of Bismarck. The self-knowledge which psychology is now initiating will be the great leveller.

All of us, not only the greatly placed, but the ordinarily conceited also, will be disillusioned and reduced to the rank of fellow-men. On that dead level of equality (and nowhere else) men can safely build up their differences, not of status, but of usefulness. Each and every one, through his union, his guild, his soviet, or whatever it may be, must find his place

in the fraternity to which his capacity and opportunity attracts him. In the future there cannot be less Government: there cannot be less order and division of labour, but there will be less mystic enslavement by "powers that be," either personal or impersonal. There will not be one single central Parliament, with discussions staged, not to decide the issue but only to deceive the country. Instead, there will be many councils of different sizes, making real decisions by mutual reason and capable of carrying them into effect; so that every man will have his measure of proven power.

There may even be great men. There may be men great enough not to know it. There is an old Chinese saying that there are three kinds of goodness in men. There is the inferior kind which is known both to the doer of it and to others. There is also the middle quality, which is known to the doer, but not remarked by anyone else; and there is the highest goodness, which neither the doer of it nor anyone else ascribes to him. So let it be with greatness, and with the future of Government. So, indeed, it really is; for humanity, distracted by the famous, is continually saved and sustained by the anonymous.

Prophets, Peas, and Rings.

The wisdom of the scribe cometh by opportunity of leisure; And he that hath little business shall become wise. How shall he become wise that holdeth the plough, That glorieth in the shaft of the goad, That driveth oxen, and is occupied in their labours, And whose discourse is of the stock of bulls?

But they will maintain the fabric of the world; And in the handywork of their craft is their prayer. (Ecclesiasticus xxxviii.)

"Something is rotten in the State of England." (Latter-Day Rural England.)

If the owner of a comfortable touring-car, endowed with leisure and an inquiring mind, would know how to spend a month or so pleasantly and profitably let him buy a copy of "Latter-Day Rural England" and set out on Mr. Bensusan's* itinerary and study his book day by day during his progress. Let him avoid all three and four star caravanserais, seeking such homely places as provide farmers with a market ordinary; also, if he be the happy owner of a good tap-room manner, let him foregather with labourers in the village ale-house after the day's run. Let him be content to listen, speak when he is spoken to, and he will eventually acquire both merit and knowledge; moreover, at the end of his trip he will cheerfully admit that his guide has performed a difficult task with conspicuous success, and, in his own words, given us a fair picture "of what the real conditions of agriculture are just now," and made "an honest attempt to set them out with no prejudice in any direction."

Mr. Bensusan's survey occupied about four months, during which he travelled some four thousand miles, visiting many farms and discussing the vexed questions of the day with every kind of man who wears mud on his boots and leggings. As he is a practical farmer himself, it is not surprising that these discussions mostly described under the heading of "Interludes," constitute by far the most absorbing chapters of an interesting book. Of these more anon.

Now there are those who hold that all unsuccessful farmers are fools and have only their own pig-headed folly to thank for their condition; even our author, who is full of sympathy for them, has some sharp things to say about antiquated methods, lack of combination, etc., etc.—but all said and done, did

* "Latter-Day Rural England, 1927." By S. L. Bensusan. (London, Ernest Benn, Ltd. 8s. 6d. net.)

ever mortal men, struggling to make ends meet, find themselves against such a combination of adverse circumstances?

To begin with, the climate is always with us, and what that can accomplish when out to do its damndest let last year bear witness. On the top of this the farmer, ever since the repeal of the Corn Laws, has been the sport of the markets, and has never enjoyed even a measure of security as regards prices; in fact, he has been sacrificed to a fiscal policy as selfish as it is short-sighted. But of all the agriculturist's foes, the worst and the most difficult to circumvent are those of his own household; the rings, combines, and middlemen—stand between him and a fair price for his produce—and what is even worse, between the consumer and an adequate supply of wholesome food. Take the milk industry for example; and here Mr. Bensusan speaks with no uncertain voice:—

No industry can thrive if it is surrendered to groups of business men bent upon extracting so much that the producer cannot face the ordinary mischances of his calling, and it is not too much to say that the exploitation of the dairy farmer for the benefit of a few combines is doing infinite harm to agricultural England. . . . He is in the hands of combines—like the United Dairies—that are able to dictate prices, and the extent to which this dictation goes is revealed by a contract before me as I write. It shows that during the two months of early summer the farmer has been receiving 6½d. a gallon for milk that is retailed at 2s. a gallon, and that when the consumer is asked to pay at least 2s. 9d. the farmer will be getting no more than 10½d.

Comment is superfluous. Truly, "the milk position calls for a measure of investigation on behalf of the Government." Who would question it? Nothing short of a national policy can deal with abuses of this nature—but are we likely to get it? Not from this Government or any other combination of office seekers in the near future. With a Labour Party fooling around with the Zinoviev letter, and the Conservatives busy with legislation to enable old gentlemen to marry their nieces, the farmer may go hang. Mr. Bensusan favours the Liberal policy and Mr. Lloyd George, who

"has a keener sympathy with the peasant than any Prime Minister who has held office in the time of living man." Well, let him persuade Mr. Lloyd George to invest his celebrated fund in dairy farming, and rely on the profits to supply the sinews of war for his next electoral campaign. It would afford rare sport to see David come to grips with Goliath Combine—he might settle him for good—especially if he secured the support of the housewives, as he most likely would.

So much for milk; but the state of affairs is even more disreputable when we reach fruit and vegetables. The following is no isolated incident:—

On the journey through the west I heard strange stories. For example, I was told that some scores of pots (40 lb.) of peas sent from some market-gardens to Birmingham had obtained a payment *ex gratia* of 1s. per pot. The cost of picking them was 1s. 2d. a pot; but the worst of the story is that the consignment went to the incinerator to keep up prices, and the man-in-the-street who wished to buy peas had to pay 3d. per lb.

This iniquity can be corroborated by a case reported in the Nottingham Guardian last September. A Lincolnshire grower sent to London 876 bags of green peas, the entire produce of six acres, and received £34 in payment for the lot. As the picking alone had cost £43, one can only wonder what the nett loss was on the season's working.

As for apples, here is another authentic story. A certain old man, one of those quiet humorous Englishmen, whose patience seems infinite, the owner of a well-planted, perfectly tended orchard, described it to Mr. Bensusan as "my hobby," for, he said, "I suppose if it had not been I should have scrapped it long ago." Down to the War the profit

had occasionally reached double figures, but since then the gentlemen in London to whom he consigned his produce—he described them as, "say commission agents, because it sounds best"—had begun to charge him for the privilege of sending his fruit to them. And yet, eating apples of inferior quality were marked 8d. per lb. in "a county town not more than an hour's run from the old man's orchard."

Very obviously there is "something rotten" in a State where such folly is possible; but perhaps the predatory middleman is not wholly to blame for the farmer's financial plight. After all, this twentieth century forestaller and regrater is not altogether a free agent; he is part of a system, one that has drifted a long way from its prime function and is the object of much criticism which has apparently escaped Mr. Bensusan's notice.

Not the least valuable pages of this book are those devoted to the sympathetic consideration of the smallholding question. The situation is aptly summed up in these words:—

"Whether the small holding is or is not an economic proposition, there are tens of thousands of sturdy men waiting to acquire one."

a fact which for every unprejudiced person should settle the matter past peradventure. Moreover, the smallholder, under favourable conditions, is the most intensive of cultivators, and if

"the first of all assets a nation needs for its prosperity is the ability to till the land and to produce the food by which we all must live,"

it should be sound policy to make access to the land easy to all suitable applicants, and, what is even more urgent, provide them with the necessary credits. This is precisely what the "competent authority" is not doing, and, as usual, financial imbecility is the stumbling block. Here is the deliberate opinion of this very practical critic:—

"I do not hesitate to say that many County Councils, faced with the responsibility for a share of the losses incurred on holdings under their direction, are deliberately putting difficulties in the way of applicants, and this in spite of the fact that the rent paid,

"round about 50s. an acre is more than the agricultural value of the land in bulk."

It may sound incredible to many townfolk, but there are peasant families in every county in England who have the love of the land in their bones, who understand it as only men nurtured in the tradition of centuries can, and who do not count the long hours its cultivation exacts as debasing toil, but as the price freely paid for independence and a measure of economic security.

To thwart these people in their legitimate desires is a crime against mankind.

The closing sentences should make even a county councillor uncomfortable:—

"Time my father was worn out and they was going to take him to the workhouse—that's nearly thirty years ago—he said to me: 'George, if I'd had a bit of land of my own, I'd have kept on. Get a bit of land, George, if ever you have the chance.' Then they took him away and he died, and I've been trying ever since, but it doesn't come, so I must go on, best I can."

The most hopeful note struck in this record of rural England's struggle with adverse circumstances is the account of the sound work being done by the agricultural institutes, such as the Harper Adams Agricultural College, in Shropshire, whose activities include not only the training of students but experimental work of the greatest value. As Dr. Crowther, the head of the College, wisely remarks,

"While agriculture dates from the dawn of civilisation, it has not yet lived a century as a science." It only remains to add that the scientific financing of agriculture is still in the embryonic stage, and the picture is complete.

J. S. KIRKBRIDE.

Drama.

Hedda Gabler: Everyman.

For the writing of "Hedda Gabler" the artist Ibsen clubbed the reformer and symbolist on the head, and drove each character to the end appointed to it by fate. The opening scene, it is not forgotten, renews the amazement aroused by the first experience of the play that a dissembler of machinery with the skill of Ibsen could pass so conventional a trick for summarising the situation as a long talk between aunt and nephew. After that, however, the hand of the master-craftsman does not falter. The action moves inevitably, and its wealth of episode defies thematisation. There is a craftsman's division of labour among the four acts; in the first, situation is developed, and in the second character; in the third, character is tested, and in the fourth it takes the consequences of failure. Leisurely as the progress is, the work never falls from drama, which rises to its height at a crisis nothing in which occasions the audience surprise. George Tesman does what he must—he forgets his obligation to his artist friend, but manages, drunk as he is, to do what is expected of him in the way of running to the bedside of a dying aunt whom he cannot help. Eilert Lövborg, having lost the manuscript written with Mrs. Elvsted's heart, gives way to humiliated man's temptation to substitute a tale of braggart for the confession of a shameful lapse. Hedda's husband, learning after Lövborg's suicide that she had burned the manuscript, shields her, and a few minutes later jumps with delight at the specialist's job of rebuilding the work from its mother's notes without seeing the irony of it at all. Among a rotten lot the men are the rottenest. Indeed, Hedda herself is victim and martyr rather than origin of evil.

Such symbolism as the play does betray, of course, is focussed on Judge Brack's pistols. These were the pistols Hedda played with; he was the person at whom she instinctively pointed them; and with these pistols both she and Lövborg committed suicide. But nearly the whole of the interest is in Ibsen's power of laying bare the canker which eats the individual characters' lives away. He is no longer judging political ideals, nor tilting at institutions which disgrace mind. He is allowing human nature to judge itself, the only evidence that the cleansing fire still burns being that bourgeois human nature stands self-condemned.

William Archer's idea of Hedda—and his opinion rightly carried much weight—was that she was a woman of low vitality, "a woman of low vitality, suicide by constitution; a woman of low vitality, overmastering egoism, and acute supersensitiveness, placed in a predicament which left her nothing to expect from life but tedium and humiliation." That she was a suicide by constitution. Her environment seems to indicate Ibsen's successful effort to put her blood on the hands of all the characters. Hedda is one of those Ibsen women who were the wretched product of middle-class manners and customs; who married because that was the line of least resistance among self-misunderstanding men, competing, so they believed, to take care of her, but actually to add her body to their property and the conquest of her soul to their honours. She was the beautiful Hedda Gabler, and every man who set eyes on her wanted to possess her. If that fact is expected to accommodate itself to a conception of her as of low vitality, it shows a complete misunderstanding of men. All Hedda Gabler, with her beauty, could hope from her marriage to the Philistine specialist was at most a little social elevation if he achieved success. Characteristically she reacted to woman's disabilities. She fought with all her cunning—"the what she called—if only in regard to others—"the only cock in the basket." Her anxiety for social

ascend made her prone to terror at the suspicion of scandal; her natural desire for admiration made company other than that of her pre-occupied husband as indispensable as adultery—in act, of course—was unthinkable. When Judge Black claimed possession as the price of silence about the instrument of Lövborg's suicide, her own way out of an impossible situation with scandal and ignominy both ways was inevitable.

Laura Cowie's Hedda was of high vitality. Restrained in movement and gesture, she used her eyes and face with convincing fiendishness. That her Hedda had vitality enough for her cunning, lying, and ambition, and for temper prior to suicide made her, in my opinion, a truer Hedda than Archer's picture. But she seemed too deliberately wicked; too much a figure apart from the unconsciously hypocritical crowd. Instead of the sex disabilities of her time and class, this Hedda displayed all the refinements of the adept courtesan. Mr. Stanley Drewitt's whole production is very fine—and if he has made Hedda a clever devil rather than egoistic, stupid, and sensitive, perhaps Ibsen and Strindberg have by this time agreed about her. Margaret Swallow and Lola Duncan as Mrs. Elvsted and Aunt Juliana were excellent, the latter getting over that hurdle of the opening with distinction. Walter Pearce gave a very truthful study of Geroge Tesman.

Back to Methuselah!—III. and IV.: Court.

That Shaw was subtle enough to insinuate the wish for longevity into his audience's dreams justifies his appropriation of the serpent's forked tongue for his philosophy. He must have had a tongue in each cheek when he made the Life Force's election of the first long livers a matter of chance. According to the preface biological advance comes in reward only of Butlerian or Lamarckian "will," but all that Mrs. Lutestring and the Archbishop did in common for their three hundred years was to read the Barnabas gospel. As Shaw could not be superstitious enough to attribute their privilege to that, and as Mr. Lutestring in the old parlour-maid days had looked forward to a weekly debauch of alcohol to soften her poverty, it must be concluded that the Life Force is as capricious as woman. From the human standpoint the thing just happened, and it may be happening to you or me, to any voter in Great Britain and Northern Ireland, male or female, over twenty-one. Just as one's name may appear any Sunday in the list of people for whom unclaimed fortunes wait in Chancery, so one's name in the secret dossier of the Life Force may have three hundred years after it. What may be happening to anybody may, for the sake of good government in Utopia, be happening to Shaw. Alas! this very devil of persuasion has left a doubt. The element of accident implies the possibility that anyone who denies himself the pleasures of youth for the prospect of wisdom in old age may not, after all, be chosen. He may merely exemplify the Wilde man who was good till he was sixty-seven, and repented too late; as he becomes decrepit he may just be able to see the one regular customer of the last pirate bus, merry and carefree, wax in youth as his own years wane.

Shaw is no less capricious than woman and the Life Force. In his most sustained effort at the grand theme, he is unable to refrain from buffoonery, though Heaven forbid complaints. For the Shavian Englishmen, politicians, plenipotentiaries, and warriors, betraying the quackery that lies behind their pomp and circumstance, are more salutary than philosophy. If Shaw arouses the impulse to live three hundred years, as it springs in him from the desire to go on writing, it will have sprung in us from the wish to go on listening. His politicians put the oratory of Parliament to shame, and do not hide

their folly. His Englishmen—his Americans are cheap—shame the real English, and their stupidity is great fun. His Napoleons shame parochial Europe for her inability to govern herself by reason, and their vanity is blown up with wit. Their speeches are long—how long, O Lord!—but the gods would not cut them.

Shaw loads the dice unconscionably in favour of the long-lived. He makes the others not only short-lived, but sluggish livers. Of the long-livers first achievement of three hundred years he has given them two hundred years of youth and beauty, and at two hundred and seventy-four they have not passed the climacteric; whereas the short-lived are in their second childhood before they are out of their first. What a Shavian Utopia he creates, too! In 2170 A.D. motor-cars have disappeared, and aeroplanes are only used to facilitate tête-à-tête. In the fourth part, aeroplanes also have disappeared, and the tercentenarians concentrate entirely on raising the tone of discourse. War is a survival confined to regions where conversation is not appreciated, and of all inventions now reckoned progressive only those which aid conversation—telephony, television, and telepathy—have been preserved and developed. Zoo, the long-liver child of fifty, is ready to discuss anything, but as people grow up their choice of topics grows fastidious. Thank Heaven that Shaw himself has not grown up to the point of slackening his interest in shattering hope and glory of the short-lived; the naïveté of the long-lived has already developed into priggishness, and they are not altogether immune to the unconscious hypocrisy of the English. They ask in child-like ignorance what decency means, yet when the elderly gentleman asks after a native's father, this wise youth of nearly a hundred years is embarrassed at the mention of so indelicate a matter as parenthood.

Shaw has observed that in the dramas of Shakespeare it is always the women who take the initiative; this makes at least one resemblance between Shakespeare and Shaw, and in it Shaw excels. Once it was Ann Whitefield. In 2170 A.D. it is Mrs. Lutestring. Still farther in the future there are still three women to every man, and the women run the whole show. From Eve to the last trump women rule Shaw's universe. It is one of the paradoxes of his dramatic work that he regards motherhood as a beautiful work, and fatherhood as an ugly necessity. Another possible explanation is that woman—at least the mother woman—is the economist, and man only the prodigal. In addition the devil found that her woman not only listened to her; woman took her seriously, and is therefore entitled to eternal life. But the fundamental reason for Shaw's contempt for man is too long a story for the present moment. The clue, however, is that he is entirely Ibsenite; he is not in the least Nietzschean. These are fine plays, all the same, that provoke argument as long as themselves. The devil may be a bad mistress, but she is a wonderful stimulant.

PAUL BANKS.

LETTERS TO THE EDITOR.

ROBERT ROSS AND THE IMPERIAL WAR MUSEUM.

Sir,—Kindly correct a misstatement in your issue of March 8, in which you state that Mr. R. Ross was appointed Director and Manager of this Museum. That post has been held by me from the start (as any book of reference would have told), and Mr. Ross never had any connection whatever with this Museum.

MARTIN CONWAY.

[We are sorry for reproducing the incorrect statement. It is recorded on page 337 of Mr. Sorley Brown's book.—ED.]

NEW IRON AND STEEL PROCESS.

Sir,—For several years past I have been carrying on experiments, and these are the discoveries I have made:—

First, I discovered that in reducing iron ore to metal iron by means of coal, sufficient gases are generated to supply the heat necessary for the making of iron, superior in quality to pig iron. For the making of these gases only one-third of the carbon at present used in blast furnaces is required, and they can be obtained from waste slack coal instead of the expensive coke which the blast furnace demands. The iron so obtained is to be known as "Duffield Iron." It can be produced at 35s. a ton when worked at the ore face. The current price of pig-iron is between £3 and £4 a ton.

Secondly, I discovered a means of making a superior type of gas from waste coal slack, which forms an ideal agent for reducing iron ore to high purity iron and mild steel.

These discoveries, when adopted by the iron and steel industry will, I believe, make Great Britain once more the cheapest and most efficient producer of iron and steel in the world.

In order to prove the commercial possibilities of these inventions an immediate start is to be made with the establishment of a demonstration plant in Oxfordshire, the centre of the largest iron-ore field in the country. It will have in the first place a weekly output of 500 tons a week, rising after the first few months to 2,000 tons a week. The iron and steel industry of the country will thus have the opportunity of testing our products, which have already been examined by many of the most highly skilled metallurgists, and of adapting the processes to their own works.

One of the great advantages of the Duffield-Iron process is that it enables use to be made of raw material of a low grade, which cannot be treated economically by existing methods.

Further, by enabling low-grade ore to be worked on the spot it will immediately reduce transport costs to the industry to the extent of hundreds of thousands of pounds a year. At present ore containing only 24 per cent. of metal is carried distances of over 120 miles on our railways for blast furnace treatment.

Last year over 4,000,000 tons of iron and steel were imported into Great Britain. I estimate that fifty Duffield-Iron plants, which would cost approximately £3,000,000, would be capable of producing a corresponding amount, and the initial outlay would be more than covered by the first year's profits, for Duffield-Iron can be produced on a commercial scale at little over two-thirds of the cost of imported iron and steel.

The inventions, I hold, are of greater economic importance to Great Britain than to any other country, for our biggest iron fields are not adjacent to our coking coal supplies, in contrast with certain Continental countries where the two are found together.

F. LINDLEY DUFFIELD.

Director of Lindley Duffield and Co., Ltd., Imperial House, Kingsway, W.C.2.

"A FOOL AND HIS MONEY."

Sir,—While all Social Credit folk will be in general sympathy with Mr. Sorabji, it seems a pity to spoil a perfectly good case by overstating it.

How much of the £500,000 actually goes "down the drain"?

If Mr. A. pays this sum to the Treasury for "reduction of the National Debt," and the Treasury hands it to Mr. B. in return for the script of £500,000 War Loan, then the deposit removed from the account of Mr. A. is paid into that of Mr. B., and the total amount of money—according to Mr. McKenna's definition—is unaltered. Moreover, John Citizen, Taxpayer, will have to transfer to John Citizen, Bondholder, a smaller annual contribution by some £25,000. In this case, nothing goes "down the drain."

If, however, the Treasury hand the amount to a Bank in return for the script of a Bank investment in War Loan, a deposit of £500,000 is wiped out of existence: in this case, the whole lot goes "down the drain."

To get an idea of what actually happens, may I make a calculation based upon a few assumptions?

Assume: (1) That of the total War Debt 35 per cent. is held by private individuals as unencumbered investments, and 65 per cent. is held by Banks either as direct investments or as security for loans; (2) that, of this 65 per cent., approximately 25 per cent. is held as Bank investments and 75 per cent. as security for loans; and (3) that the value of the loans is 50 per cent. of the security.

Under such conditions, out of every £500,000 of War Debt the public would hold £175,000, the Banks would hold

£80,000 as an investment, and £245,000 as security for loans of £122,500. If redeemed in this proportion, the amount which would go "down the drain" would be £80,000 + £122,500 = £202,500, or, approximately, 40 per cent. of the total.

The figures I have given are merely plausible assumptions. Can you, Sir, or any of your readers supply reliable ones in their place?

A. W. COLEMAN.

MRS. WOODHOUSE'S HARPSICORD RECITAL.

Sir,—On February 21, the evening of Mrs. Gordon Woodhouse's harpsichord recital at the Aeolian Hall, I found myself with a strong desire to ask you to publish a letter in which I should be allowed to poke my finger through the halo surrounding harpsichord playing in general, and Mrs. Woodhouse's harpsichord playing in particular. And now to fan my protest comes M. Sorabji's article, with its wonted superlatives, singing the praises of Mrs. Woodhouse's superb rhythm and exquisite phrasing.

There were many people who undoubtedly derived great pleasure at this concert. I would suggest that their enjoyment was largely due to hearing the kind of tone peculiar to the harpsichord (undoubtedly a pleasing sensation for ears so tempered to uncouth noises as ours to-day). Secondly, their enjoyment came from being able to follow the various voice parts without undue effort; effort which they would have to make in order to follow the same parts on a thicker instrument. Thirdly, almost any performance is preferable to the performance of a bad pianist. Possibly this recital stood out at the back of their minds in relief against a good deal of bad piano playing. But in addition, many of the people—possibly the majority—were delighted with Mrs. Woodhouse's phrasing; and it is about this point, particular, that I wish to protest.

From the rhythmic point of view the phrasing seemed to me to be almost entirely extraneous. The performer was forcing the music into a mould of her own making; and from a melodic and harmonic point of view, to my mind, Mrs. Woodhouse does not phrase—she "harpsichords"; and if she transferred her harpsichording to the piano she would show herself but a mediocre pianist. I know that the harpsichordists will here point a triumphant finger at me, and tell me that I am giving a point to their side. Yet with all the clarity at her disposal that a harpsichord can give Mrs. Woodhouse was blunt in her response to the notes and chords she was using, and the keys she was playing in. It is not the place here to refer to technicalities, but any reader will appreciate the importance of a performer's knowing whether a pivot note leading into a new key is a sharp or a flat. That is to say, it is not essential that a listener should know whether a note is G[♯] or A[♭], but he should be made aware of their sharpness or flatness, and he should be guided into feeling the relative function of the notes one to another within their own mode. The harpsichord, being a sensitive instrument, is especially adapted to this purpose.

A good pianist pays scrupulous attention to this kind of knowledge, and does not add the extra subtlety and colouring of the pianoforte on to old keyboard music until he is satisfied that he has attained a framework of melody, harmony, and rhythm as purely defined as the most earnest harpsichordist could wish.

MARY CULPIN.

ADAMITE ECONOMICS.

Sir,—Mr. Thompson is too intriguing. Can it be that he has been vouchsafed some exclusive information about *Pithecanthropus*? If so let him out with it. Last time Adam figured in economics at all importantly was in the Peasants' Revolt, as a Bolshevistic patron saint:

When Adam delve and Eve span,
Who was then the gentleman?

P. Q.

ELECTRIFICATION.

Sir,—Apropos of your notes on American relations with English electricity undertakings, it is noteworthy that while the Government took the advice of Mr. Samuel Insull, the electric king of the Middle West, he himself relies, it seems, for the final judgment on the most difficult points on an English engineer with offices in Victoria Street, and was himself bred as a boy in the Borough, S.E.1. The United States has derived a large proportion of its best technicians and organisers from immigrants for whom the inadequate economic life of their native countries found no room, e.g., Ford, Steinmetz, Langmuir, not to mention crowds of English tool-makers, etc.

H. C.

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