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CONTENTS.

NOTES OF THE WEEK.

John Bull announced about a fortnight ago that Mr. Montagu Norman will not be re-elected Governor of the Bank of England, but will be replaced by Mr. Harvey. This news has been confirmed in other quarters more recently. The question of who is to succeed Mr. Norman is interesting, but of minor significance. It does not matter who succeeds him: what matters is that the change in Governorship is made; for it will be construed abroad as a symbolic sign of a change in British financial policy. Readers will remember Viscount Castlerosse's ironic congratulations to Mr. Norman in the *Sunday Express* on America's prosperity during his term of office. These have been followed since in the same paper by a suggestion of Viscount Castlerosse's that Mr. Norman needs a rest. The *Evening News*, which has been talking up Sir Josiah Stamp a great deal recently, remarks that it is prophesied that he may one day become the Governor of the Bank of England. He is a Director already, and the *Evening News* hints that he will soon give up his railway work and devote himself to a City career. That is to say, he will take office in the Financial Government.

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The B.B.C. in one of its announcements last week emphasised the importance of the hoisting of the flag of the Chinese Nationalist Government in all the towns of Manchuria, but was vague about why it was important. It said that this "hopeful" act would have taken place earlier but for external opposition. Presumably the opposition was that of Japan; and if so, one can attribute the cause to Japan's reasonable interpretation of the ceremony as a symbolic hint that China is proposing to establish a sort of Monroe doctrine in respect of far-eastern Asia. Now that China is apparently abjuring civil war and settling down under a single centralised Government, we may be sure that her domestic antagonisms will be externalised and transmuted into friction between the White Powers. They have conceded to the new Chinese Government the right to carry out its own tariff policy, but we have not heard that this right includes that of collecting its own customs revenues. For many years the European Powers have monopolised the function of lending money to China, and the security attaching to the loans has included control of the Chinese customs. Readers will get the truest picture of the situation of China apropos of European loan-policy if they will regard her as another Bolivia (whose experiences we recounted in our Notes last week). The position of both countries—and indeed of all the small borrowing countries—is exactly the same as would be that of an employed man who, as a condition of borrowing £120, to be repaid at the rate of £12 a month, was required to assign his whole salary to the moneylender, who would thenceforth draw it from the man's employers and pay him the balance after deducting the monthly £12. In mere terms of monetary figures such a moneylender would be no better off, nor the borrower worse off, than if the transaction were carried out otherwise; but in terms of power the moneylender would be supreme. Power does not lie in the ownership of money, but in the control of money. When President Wilson repudiated European loan-policy and forgave China what she owed America on account of the Boxer indemnity, the underlying motive was the desire of the United States Government to undermine Europe's control over Chinese policy, rather than to prejudice Europe's receiving interest and principal. In fact, today, Wall Street would only too gladly put up all the dollars necessary to enable China to pay Europe out, but Europe knows better than to allow it; even though America were to refrain from collaring the security which Europe surrendered—which she would not. In the immediate future something will have to be arranged with America, who will renew her pressure to secure, at least, a sufficient share in the power of control to protect her interests. There is little doubt that the civil war arose out of intrigues between the Powers for a preponderance of controlling power. The ending of the war may coincide with an agreement to buy off America's opposition. This may yield the Powers a little breathing

space, but there will be no stability in such an arrangement. The fundamental problem is that of harmonising their several economic policies—a problem impossible to solve because those policies are based in each case on the necessity of securing a continuing favourable balance of foreign trade. In a game of marbles every boy cannot win, if by winning is meant ending up with more marbles than he began with. The same truth applies to the international game of credit-balances. Some Powers have got to lose; and since no such Powers dare lose, they must resort to war before the game is finished.

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It seemed possible last month that we might have seen this subject illuminated by the Law Court. Readers will recall that Mr. Gilbert Frankau's journal, *Britannia*, published in September a statement, over the signature of "Samuel Johnson," in which the following passage occurred:

> "I have just been told that in arranging with Mr. Garvin to undertake the editorship of the 'Encyclopædia Britannica,' the American proprietors stipulated that all articles on Eastern political questions should be written by Americans."

This statement, which we reproduced on October 4, was heatedly denied by Mr. Garvin in the *Observer*. He concluded a hysterical diatribe by saying: "Here we stop for the present. But there may be more to say. If so it will go wider." We commented at the time that "Samuel Johnson," whoever he was, must have touched a high-political nerve somewhere, and that Mr. Garvin's dark saying must be construed as a warning to Mr. Frankau to "go slow" in his editorial policy. In the sequel it seems as though Mr. Garvin's "something more to be said that would go wider" had reference, not to further public attacks, but to private reprisals. At any rate, two companies, the British National Newspapers, Ltd., and the Inveresk Paper Company, Ltd., appear subsequently to have taken action—whether spontaneously or under inspiration—to interfere with Mr. Frankau's discretion in the conduct of *Britannia;* for, at the beginning of December, he had entered an application for an injunction against both companies "in regard to the performance of his duties" (*Evening News* report.) No newspaper reference to the case that we saw then or have seen since has given more information than is set out in the above phrase. Further; on December 11 the case was settled out of Court. The settlement provided for Mr. Frankau's resignation of the governing-directorship of the British National Newspapers, and also of the editorship of *Britannia*. The story makes a pretty little comedy. It must give the public the impression that Americophile interests are prepared to exercise *force majeure* on the editor of a British journal, and are powerful enough to do so. It thus heightens the antecedent probability that they would be willing to colour the political articles in the Encyclopaedia. Mr. Garvin, in his repudiation of the statement of *Britannia*, declared that of all the writers on Eastern politics only one (the contributor on Chinese affairs) was of American extraction, and that even he was a Canadian. That disposes of the charge in the form in which it was made. But it does not disprove the possibility of the American outlook finding expression in the Encyclopaedia. Mr. Garvin protested that there had been no attempt to coerce or persuade him. We believe it. But Mr. Garvin has always been a convinced advocate of an Anglo-American entente, and it is no disparagement of his integrity to say that if he were to write, himself, all the articles under discussion in the Encyclopaedia the result might well accord with the desires of an hypothetical American high-political group. Nothing is more credible than that Mr. Garvin was allowed a free hand to choose his own contributors. And we are sure that if there have been any intrigues, he is neither a party to them nor aware of them. Such intrigues, if any, would ante-date his appointment. In the hands of astute diplomatists one honest mug is better than a hundred crooks; and the most interesting information, next to the reasons why Mr. Frankau was kicked out of his editorship, would be the reasons why Mr. Garvin was appointed to his. As Shakespeare might have said: "Noble brows are ten a penny."

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There is an amusing story in the last number of *The Round Table*, apropos of the American Debt. It is an experience of a highly placed English traveller in the United States. He was talking in the train to an American business man, and explaining the practical difficulties of debt settlements. "There are only two ways for us to pay you," he said, "in gold or in goods. You must choose between them. Which is it to be?" The American replied: "We don't want your gold; and we don't want your goods. What we want is your *money*." The story does not say whether the Englishman offered to write home and get the Bank of England to send across 1,000,000,000 of its new currency notes. Of course, though they might pass for dollars in the dusk, they couldn't be paid in the next morning; so that this hopeful get-out is denied to England. Still, it's dogged as does it; and the Cunard Company is trying the alternative of earning a few dollars towards the Debt by entering into competition on the Havana route—a hitherto American preserve. The result can be read in the following leaderette in the *Star* of January 5:—

> "It is disquieting that the American Post Office should have been inveigled into so partisan an act as the mail boycott, even though it proved only a temporary one, on the Cunard Berengaria. An attempt is made to suggest that this step is merely a reprisal for certain discriminatory acts on this side, but if that is the case it is curious that the mails concerned should have been transferred to another British and not to an American boat. It is thus difficult to avoid the conclusion that the boycott is merely an act of revenge against the Cunard Line for entering the Havana passenger traffic trade. It is to be hoped that wiser counsels will prevail. Two can obviously play at such a game, and there is at least the possibility that, with so much of the world's shipping in our hands, we could play it with greater effect."

If this policy is persisted in every avenue of repayment will be blocked, except repayment by the process of borrowing dollars to repay—which is an absurdity. When that American business man asked for "money" instead of gold or goods, he was asking for dollars—the only "money" he understood. Or, by extension, he was (unwittingly) asking for some credit-instrument readily exchangeable for dollars at any American bank.

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Such an instrument could be, for instance, a bill drawn on a reputable American importer by a foreign exporter for goods supplied, the bill being "accepted" (as the expression goes) by the latter. In principle the bill would be an IOU for dollars. Supposing then, for example, a Havana merchant sells $100 worth of cigars to New York. He will draw a bill on the New York buyer, and when accepted, it will become a claim on $100 in New York on some particular date. The Havana merchant will be a creditor of America in the sum of $100. Suppose this Havana merchant now decides he will have a holiday in New York, and takes passage by an American line of steamers, which costs $100. He is now a debtor to, and a creditor of, America in the same sum; and the cross-obligations cancel out. But suppose he decides to sail on the Cunarder, the Berengaria. He can, in principle, pay the English company with the accepted bill—the American IOU. Thus England becomes a creditor of America for $100, and can pay off American debt with it; because any British bank will pay the Cunard Company say £20 (ignoring discount) thus buying the bill to effect the payment to America. But in this case the American shipping company loses an order—loses revenue—to the amount of $100. There is £20 extra money circulating in England, which represents, of course, that much wider margin for taxation. This, roughly, is how the British Government is able to close the transaction in the end.

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It is natural, but futile, for American business men to rail at England when things like this take place. But they will have to learn what we in England are slowly realising, that the nigger in the pile is the central banking authority in each country. Financial figures must reflect economic reality. In the illustration we have given it is clear that the economic reality would be that America had got $100 worth of cigars without rendering any service in return. England, on the contrary, would have rendered services and got nothing. In effect she would have carried the Havana merchant in exchange for cigars, and handed the cigars to America. An accurate system of American finance would measure the above increase in America's real wealth at its value of $100, and would create and distribute that amount of new credit for the use of American citizens. The method of doing this is too familiar to our readers to need repeating. As things are at present the American monetary authorities are deliberately deceiving Americans. On the one hand they scare them by telling them that if England does not pay they will have to pay instead: but on the other hand the same authorities know that if England does pay their system will not only deny Americans the monetary benefit of such payment, but will even withdraw existing credits from American firms on the very ground that they have lost business to England and are not earning so much. The more work England takes away from America the greater America's reserve productive energy. And the same truth applies to all creditor countries, England apropos of European debtors, France apropos of German reparations, and so on. The solution is obvious. It consists in the financial accrediting of reserve energy, making sure, of course, that the new credits call that reserve into activity and draw upon the products—i.e., that they enter the domestic consumption market without causing price inflation. This is the Social Credit policy of a gratuitous dividend to the community accompanied by retail-price regulation in the interest of buyers and sellers alike.

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We print elsewhere a short article by Mr. Arnold J. W. Keppel, who has been sniping at H.M.M. and ourselves in the correspondence columns recently. First seeing us, from a distance, walking in the grounds of the economic asylum, he has naturally taken us for lunatics. As he approaches nearer we hope he will see that we are alienists. The reason why we print his article is not that it contains anything new, but that it puts with an unusual economy of words a reasonable viewpoint as to what is fundamentally wrong with the economic system. This, he affirms, is the profit-principle, because it tends away from wealth-diffusion towards wealth-concentration. He advocates the progressive limitation of profits, the ultimate end of such policy being, of course, the abrogation of the profit-principle itself. Our reply is that the industrialists' profit-principle is an effect of their money-concentration principle, which in turn is an effect of the bankers' money-conservation or money-restriction principle. So *our* "fundamental" cause is two stages behind Mr. Keppel's, and the delinquents are primarily the bankers, who create money, and only secondarily the industrialists who collect it in prices. Bankers have the power to discriminate between would-be industrial borrowers; and their principle in lending is to encourage those who (a) possess the soundest security (i.e., the largest claim on concentrated wealth) or (b) can gather in profits at the quickest rate. The two categories are usually one—although during the war, when firms of integrity who could prove themselves able to make almost anything could raise loans without security because they were assured of a fat profit as a result of the rapidly rising price-level.

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Mr. Keppel would be nearer to fundamentals if he would draw a distinction between distributed and undistributed profits. Leaving aside for the moment the question of equitable sharing, it is at least clear that the first step towards diffusing money is to get it out among the community somewhere or other. The higher the proportion of total profit distributed in money-dividends (not bonus shares and other substitutes) the higher the ratio of diffused to concentrated money. If Mr. Keppel advocates the limitation of distributed profits he is not only arguing against his own objective, but he will soon find himself, probably to his astonishment, a most respectable exponent of orthodox economics. We described in these Notes many months ago how the Mansion House interests were pressing forward a policy of eliminating boards of private directors from industrial concerns, and substituting what they called trained experts; and we drew attention to one of their explicit reasons, that under private directorships there was a tendency to distribute higher dividends than they should under pressure from their shareholders. While we are about it we may as well give the other reason, which was that private directors, after a period of slack trade, were prone to mislead their bankers by publishing more optimistic balance-sheets than the circumstances justified. We pointed out at the time that however solicitous the bankers might be for the shareholders, their real motive was to make sure they got to know of any decreased earnings by a company, so that they could immediately call in their overdrafts in good time. If any company got into that position through selling its products too cheaply, the penalty would be applied by the banker all the same as a reminder that profits must be kept up.

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It is best, before devising any policy with regard to profits, to investigate what profits are in a physical sense. Comprehensively the profit of a community during any period is its total production less its total consumption. Thus, if it gathered a crop of four bushels of wild wheat and ate one, its profit would be three bushels. To put it another way, the cost of the four bushels would be one bushel. The abrogation of the profit-principle would here entail its dividing up and eating the other three bushels without paying—which, in this physical illustration, means without doing any more work. Alternatively, if it ate two of the three bushels and sowed the other, and got a crop of twenty bushels while still eating one during the process, the cost of the twenty bushels would be two bushels—one new bushel consumed by the community and one old one destroyed. The surplus would be nineteen bushels, and the distributable surplus would be eighteen, allowing one bushel for seed.

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Now go a step further. Assume that the community can keep alive on nine bushels per period and need devote only one half its labour to growing wheat. The other half go and dig up iron ore and work through all the steps necessary to build a railway. When the railway is completed, say, in ten periods, its physical cost will be the forty-five

bushels of wheat eaten by the railway workers. The whole community is now entitled to "eat" this railway, without contributing labour as a condition, for the same reason that it would have been entitled to eat an extra forty-five bushels of wheat if it had grown them instead. But "eating," here, has to take the form of riding on the railway free of charge until it wears out. This amounts, in Mr. Keppel's words, to a gradual "diffusion" of "concentrated wealth," and involves, translated into the vernacular of commerce, the virtual elimination of capital charges from retail prices.

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If the above activities had been financed in strict conformity with current principles of bank- and factory-accountancy, it can be shown that the community would be prevented from diffusing its railway-wealth even though there were no private profits, but everyone was on a fixed salary. Postulate a banker in charge (he being on a fixed salary and having no personal advantage in overcharging) and the phenomenon of wealth-concentration would appear automatically. He would appoint a wheat-accountant and a railway accountant. He would create and lend, say, £4 10s. for one period of wheat-production and the same amount for the same period of railway-construction. He would require the total of £9 returned to him at the end of each period. The two accountants would have to collect it from the community. But the railway-accountant has nothing ready to see. If the wheat-accountant who has sells the wheat at cost, thus leaving £4 10s. in the hands of the community, the banker would constitute the two accountants as a Government, and empower them to collect this money in the form of taxes. The Government would thus gradually acquire the property. Let us call it a national railway. At the end of the tenth period the Government would own a complete railway of the capital value of £45. The community would have no money representing that sum, because all the successive ten bank-issues of £9 each would have been destroyed by the corresponding repayments. But the banker would instruct the Government to charge the £45 in future fares to the community on the principle that "capital" must be replaced. Allowing, say, forty-five periods as the time it would take to wear out the railway, the community would be expected to pay £1 in each period in addition to the direct costs of running, and to pay it out of subsequent incomes. To revert to physical terms, they would have to perform new services as a condition of inheriting the product of their old services—to do two jobs for the product of one. In common language, they would pay twice over for their capital. To make this payment possible the community ought to receive a gratuitous "dividend" of £1 per period. And the banker must create the credit for the purpose.

"It is evident that the National Labour Party is thinking out a cotton trade policy. . . . Mr. A. E. Wood, the prospective Labour candidate for the Royton division, who was appointed by the Birmingham Labour Conference to formulate the national policy of the party on the cotton industry, has formulated his task. He says that the cotton trade policy of the Labour party will be based on (1) unification of the industry; (2) representation of the operatives in respect to control and security for them in case of reorganisation; (3) a declaration of a moratorium of five years in respect of the banks, such moratorium to prevent the making of any further calls during that period; (4) that all existing interests shall remain unmolested, the claims and rights of all creditors being unaffected, and disbursements against principal and interest made only out of surpluses. . . . The Labour Party will do all that is possible to ensure that the banks 'shall not be permitted to molest the cotton industry any further.' Their order to the banks, Mr. Wood declared, will be 'hands off the cotton industry.'"—*Times*, December 24, 1928.

An Outline of Social Credit.

By H. M. M.

XI.

The promise this reform holds out for the human race is beyond calculation. It would not only put an end to labour troubles, and in so doing remove all fear of internal disruption; but it would also change international trade from being a struggle for markets terminating in war, and differing from war only in the nature of the weapons used, into a friendly exchange of superfluities, bringing advantage to all concerned, and doing harm to none.

With international trade established on a sound and friendly basis, all the probable causes of war would disappear. Nations could quarrel as much as they liked—if they could find anything to quarrel about—but they would no longer endanger each other's existence. Wars are not bred of casual quarrels, but from the existence of some standing menace, and from the preparations made to ward it off.

The scheme of reform could be introduced within a few weeks of its adoption by the country. That is a sufficient answer to those who, like Ramsay MacDonald, contend that economic conditions can only be improved very gradually. It is not true. The Government has it in its power to solve the unemployment problem, reduce retail prices far below the 1914 level, and put everyone beyond the reach of want and well on the way to a lasting prosperity, within less than a year, if it cared to introduce this one measure of financial reform.

Needless to say, finance by itself, without real productive power behind it, can do nothing, being mere book-keeping; but the productive power is there all right, tremendous productive power: it is only waiting to be released. The war gave us a slight indication of what it can do, but only a very slight indication. The conditions have never been favourable for a proper test. But give people more purchasing power, and regulate prices in the way indicated, and you will see miracles happen.

Nevertheless, although the Douglas proposals would confer incalculable benefits on everybody in the country, by setting free on their behalf all this tremendous dammed-up productive power, they are opposed by two classes: ignorant people who have not the wit to understand them, and intelligent men who have, but who, being out for the acquisition of power, realise that their reign is over if the proposals are adopted.

If the British people were united on financial policy, no power on earth, in Wall Street or elsewhere, could prevent them from putting through this scheme of financial reform; but the present controllers see to it that people are not united. They play Capital off against Labour, and both off against the consumer; and there is little doubt that the influence behind most of the movements that separate people and keep them apart, politically and socially, is Finance. But for the evil influence it wields, the interests of Capital, Labour, and the consumer would be seen to be identical; and unless the three unite on the financial policy here recommended, and it would benefit them all, the outcome is bound to be a catastrophe.

Three facts stand out as the result of our enquiry:—

(1) Modern wars and revolutions arise from unstable economic conditions;

(2) The cause of unstable economic conditions lies in the mechanism of finance, not in anything external to it;

(3) No escape from revolution or war is possible until the defects in the mechanism are repaired.

The existing system works with increasing difficulty, to an accompaniment of bankruptcy, unemployment, strikes, revolutions, and wars; and if it can be bolstered up for a little while longer we shall

witness the strange spectacle of a world starving in the midst of potential plenty, refusing to satisfy its desires because it has increased its productive capacity too much!

And each industrial nation will see some other as the cause of its troubles; for the failure of the home market will be traced to the failure of the foreign market and the wickedness of foreigners, rather than to its proper source in the defects of the credit and costing systems. And, since the loss of markets is for all of them, under present conditions, a matter of life and death, they will be driven into war again in spite of themselves, while having nothing but the best of good intentions in their hearts.

XII.

There have been times in the history of the world when some event or discovery has enabled the human race to take a great step forward. Major Douglas's discovery is of this type. It brings economic emancipation within our reach, if we can free our minds sufficiently from economic superstitions to understand and grasp what is offered.

What is emancipation? It is to be free to live without having to beg anyone's permission; to do what one wants to do, and to work all day at it if one is so inclined. To make one's living depend on the performance of some task which one has no power to reject is not freedom at all, whether it be performed for a private employer or the State.

Under modern conditions, real freedom can only come with the possession of a private income which no one has the power to withhold. Hard things have been said of the man who gets an income without having to work for it, but at heart everybody envies him. He is the only really free man in the community; but if Douglas's ideas were put into operation, everybody would become the possessor of a private income and reach the same happy state of freedom.

Where work is made the sole test of the right to an income, the worker is inevitably the puppet of the people who distribute incomes, be they private employers under Capitalism or public officials under Socialism.

The only sane policy is to set men free as fast as we can invent machines to supersede them, and to pay the whole community a social dividend equal to the value of the saving effected.

This does not necessarily mean that there would be less work done: probably there would be a great deal more. Men must expend their energy in some way, and the present system is constantly throwing up barriers—such as unemployment—to prevent their doing so in useful ways; but much of it would be work of a different kind; and there would be a great deal more play and recreation.

Most of the things we want to do are things nobody would pay us for doing. Who, for instance, would pay us for studying music, literature, art, science, philosophy, or religion; or for cultivating a garden, or indulging a taste for travel or golf? Nobody; yet, if emancipation means anything at all, it means setting men free to do these or similar things.

The reform suggested is not put forward as an alternative to Capitalism, but as an alternative to chaos. So long as the present system can provide the majority of people with a living of some sort, no alternative, however attractive, has much chance of being considered. But if it become obvious that the system is breaking down—and the manifest difficulty of providing employment and doing profitable business are two of the evidences that it is breaking down—the only alternative that has a chance of being successful is the one that can reconcile the greatest number of interests with the minimum of disturbance. The Social Credit proposals of Major Douglas fulfil these conditions. Their title to general support is that they can make the poor rich without making the rich poor, and involve no change in administration, only a change in financial policy.

No question is of greater importance for the country or the world than this question of the purchasing power of money. It dominates all other problems. Incomes are good or bad, *according to what they will buy*, not according to the number of pounds of which they are composed. But until we decide to regulate prices on scientific lines, we must expect to see the value of our money decline with every fresh credit issued, and see the next war come correspondingly nearer with every such decline.

The world is travelling towarde war and chaos because it is still largely dominated by its subconscious instincts. For thousands of years, a million, perhaps, until the growth of reason brought civilisation into existence, mankind had to fight hard with Nature for a living. During that time the conditional truths of scarcity and the need for hard work sank deep into the unconscious, and acquired the validity of immutable laws, as little to be questioned as the law of gravity.

The general mode of living being relatively unchanging, instinct developed into a quick and reliable guide, able to deal with most of the circumstances of life; but, with the coming of civilisation, greater adaptability was called for, and the responses of instinct became misleading and dangerous in the new and ever-changing situations which arose. The need to substitute reasoning processes for unconscious instinct, in order to deal successfully with the numerous problems of civilised life, grew faster than did the process of substitution; and that is probably the whole explanation of the failures of civilisation.

The Tiniest Gallery.

London already has one Quixotic bookseller straddling the space between Praed Street and Bishop's Road, at each point having an emporium where he sells "pure" literature only. He is a civil engineer by profession, which may account for his simple, earnest desire to sell good books, to such as care for them. But the "Quality Bookshop," in Coptic Street, is a picture gallery as well, a gallery fifteen feet by ten, to put it generously, with room for a couple of dozen pictures, and no more. In fact, they overflow into the room on the other side of the hall, where the Quality Books are sold. But ever since the place was opened in the spring, it has harboured ideas and enterprise. For example, the nice young woman from Chelsea and the ascetic young Russian lawyer from Berlin who are partners in the enterprise, were the first to show the work of Soviet artists in London. A Kraftchenko woodcut caught the eye of Mr. Campbell Dodgson himself, only the other day, and is now in the Print Room of the Museum. Paintings by this artist and by Favorsky, and possibly other Russian artists, will be shown in the spring. Meanwhile, the tiny room has a few entertaining pieces on show now, two striking, effective landscapes from Elliot Seabrooke's palette-knife, a powerful but dyspeptic nude by Matthew Smith, a restful garden piece of Duncan Grant, and some sculpture by Frank Dobson which passes at least one poor critic's understanding. These nice young people deserve to prosper.

L. SPERO.

"In talking on the future of business in the country, Charles N. Schwab, chairman of the Board of Directors, Bethlehem Steel Corporation, pointed out, 'We have just scratched the surface. The United States is going to be the workshop of the world. We have 5 per cent. of the population of the world, and 55 per cent. of its business, and it will continue to grow more and more.'"—*Barron's Weekly*, December 10, 1928.

The Comptometer.

Told, many years ago, of a machine which could add, subtract, divide, and multiply, not to mention the complex processes built upon these, my idea of the limits of possibility got across with my idea of the speaker's veracity. Though I was in the end convinced, it was only, like Thomas and the clients of the West End store, by a demonstration. Before that time it had seemed that a man was worth perpetuating if only for his power to carry out those processes, when it was shown to me how simple were the orderly mechanical movements by which the iron box accomplished what had been miracles when performed in the brain-box, a mystery was not so much revealed as a trick exposed. How many years of how many thousands of brief lives had been frittered away effecting trivial conjunctions of grey matter that could now be done in a box of levers and wires more accurately and far more quickly. The King of Nature had fallen to a miserable and losing competitor against a bit of machinery. Thousands of Kings of Nature had lost their glory, hitherto proportionate to the degree with which they could make the insides of their heads approach in construction the inside of that box. All the generations from Eden to the City had exhausted themselves in elevating the descendants of Adam to the rank of accountant. Henceforth the man who had made a calculating machine had reduced a host of his fellow-creatures to old iron, except that the old iron was of use in the foundry.

Consider how many fine young men have been, in the rise of the accounting era, dismissed as anti-social because something in their heads—or hearts—prevented their becoming comptometers. Perhaps they had some vision in which they saw behind their eyes keys and wires limping and jerking, just to stop a gap that waited for the inventor of a box of tricks to let old Earth release them. One cannot look for more than a moment at a young, uneducated girl, tapping away at a comptometer, without seeing around her the ghosts of a dozen bald, short-sighted, round-shouldered, black-coated men, murmuring silently the steps of their multiplications—in which the girl who cannot multiply outpaces them

A person unacquainted with the customs of civilisation would suppose that the young girl took as much in wages as those dozen bald men used to take, and that, with the modern feminist-humanitarianism, she met them at the nearest hostel to share out. The thought of all the old short-sighted men, worn out in keeping the tots going up until Babbage was born, walking out like Lamb's superannuated man, "rich in time," seems a happy one, but it is, unfortunately, not the custom of the age. The black-coated man can go into the hostel only provided that the good things which the machine is adding up are very difficult to sell. Then he may march into the world with his mack and umbrella to persuade somebody to buy them. His comptometer may have been superseded, but not, luckily for him, his gramophone. He is at least better off than the men who used to dig up the roads, laboriously, with picks and shovels, sledge-hammers, and wedges. These men, having no money to enter the hostel, have to spend their time watching the pneumatic drill, and looking elsewhere for work. The latter occupation, for a short time, of course, qualifies them to receive a small income. Unless they are successful, however, in finding this work, which is constantly decreasing in supply, there comes a time, and before very long, when, just because they have not the work which the drill is doing, the herrings which their wives would have liked are thrown back into the sea; the grapes their children would have enjoyed are left on the vines; and the land on which the bread and cheese they would have helped down the modern beer with "goes out of cultivation." To the difficulty of finding work the most advanced Kings of Nature thus make a reply remarkable for its comptometer logic. They set twice as many men to look for the elusive work. If the reinforced search-party fails it is doubled once more. At this stage, as it is unanimously agreed how bad it is for men to be idle, another invention is necessary. When the searchers for work get in one another's way, hindering and embarrassing everybody, the field of search has to be widened. Some of them, says Lord Beaverbrook, winking at Mr. J. H. Thomas, had better look for work in the colonies, since that is what they are for.

There was a time when a man who could make a wheelbarrow that would wheel, a hoop that would run, or turn a tree into a cradle or a coffin, was respected throughout his village, and known as far as the next village. The woman who needed a cradle got her husband to wheel it home on the barrow. When the child wanted a hoop the child ran the hoop home—if it was a good child—from the workshop in which it was made. When the husband had to have a coffin, somebody carried it home on his shoulder, and half-a-dozen somebodies carried it home at the end. It was a laborious business, with saws and planes and finger-nails. But for some unfathomable reason there was always a cradle when one was wanted, and a coffin when one had to be had; and there was beef and bread and beer between whiles. During the time of Smiles, however, all changed. Machines turned out barrows faster than they could be wheeled away. Where ten or a score barrows were made in one town for use in the next nobody wheeled them home. They were packed house-high on a truck, and hauled, with two hundred tons of other things, home all together. The machines which made barrows wouldn't make one; they wanted to make a thousand before they would start. So counting became the greatest art of all, though it was called accounting; for similar reasons, probably, to those which made the Detroit barbers first call themselves chirotonsors. The man who used to make barrows and hoops was despised as an inferior animal. There had arisen a top-hatted counting-house officer, who could calculate the interest on a thousand and one pounds (the one is put in to make it difficult, as in the L.C.C. school sums) at 5 per cent. compound from Victoria to the Judgment Day. Craftsmen had become horny-hands, hewers and drawers at a biological stage, somewhere between the dray-horse and the copyist. So the clerk stepped out like an entire, in his frock coat and topper, insured his valuable life for posterity's sake, saved, and paid for his children to receive the higher education, ready to fill his honoured chair when his age should become opaque, and his wires rusty. To-day all is changed again. The clerk's offspring and the craftsman's walk arm-in-arm with their parents' ghosts, to hover round the comptometers and watch the pneumatic drills, and to draw their social dividend of poor-law relief or unemployment benefit. They cannot afford cradles, and have no prospect, therefore, for wanting wheelbarrows or hoops. And they will have to get coffins on the instalment plan. Meanwhile, a contributor elsewhere in this paper complains that the theatres are empty. There are too many shops, too many factories, too many fishes in the sea, too many cheeses, too many of everything, including men and women. I wonder if old Smiles would advise me to join the Air Force, as the best gamble for getting on. It would at least rid me of some of the problems he left me.

SAM SMILES, JUN.

Drama.

The Lovelorn Lady: Wyndham's.

The lady is a modern him who has decided that she would get more out of life if she were an ancient her. She is also a great lady, her father being the Duke of Norchester. Her fiancé, with whom she has played all manly games from childhood, has fallen for a popular actress, Sybil Leslie. Manliness and the loss of her self-esteem had made the lovelorn lady think; and the remnant of femininity left in her conceived a stratagem more feminine than aristocratic for winning her man back. By purchasing her own maid's references, she obtained a situation as maid in the Mayfair flat of Sybil Leslie. Sybil Leslie, she reasoned, must be a master of the craft of allurement, since she had made herself the mistress of every married peer in the land whose banking account was still eligible. In the atelier of this master, Anne, for that was the lovelorn lady's name, would be the diligent apprentice.

So Anne dusted the photographs of the aged peers and prepared supper for the younger ones, while noting the names of Sybil's beauty preparations and the quality of her lingerie, which, flimsy as it was, kept rivers of noble blood warm merely by resting visibly in her work basket. One day Larry Tindall, a lumber king from Canada, sire of an aristocracy only just starting off, visited Sybil at her flat, drawn there, no doubt, by the magnetism of her pictures on the cigarette cards. He talked of Canada, of wealth and work, and the great waste spaces, of wide horizons. He made the noble lords of England, who squander their rent-rolls in buying tickets of admission to actresses' dressing-rooms, look a poor, namby-pamby, crowd, whose only pursuit beyond variety in legs is cogitating what, since they have no offices, to tell their noble ladies. The lumber king bored Sybil Leslie, but not the beautiful, sensible, wise, and thoughtful daughter of Lord Norchester. At a party given by Sybil a noble earl whose hobby was cooking, and who supped with actresses because his wife would not let him cook at home, prepared the supper. Anne, serving it, spilled some wine over the actress's dress. Breeding will out. That actress behaved abominably. She tore off the dress, and stood, or rather, stamped about, in the contents of the workbasket, shouting words which the innocent Anne ought not to have known were naughty. If this was England there was something to be said for Canada, whither, at the end of another act, Anne decided to go with Larry Tindall to people the great spaces.

Clever acting and production, and some very comic passages, did all they could to disarm criticism. The audience laughed heartily and often. But I could not give myself up to the play for several reasons, which persistently occupied me while seeing it. A plot which might have furnished a satirical farce on society and marriage introduced too many unrealities for the sake of romantic contrast. Anne was neither a woman nor a type; she was an idealised figure embodying not only all feminine charms and graces, but all the masculine reasoning power of an idealised man; an idealisation, in short, possible only in a feminist epoch. Larry Tindall was equally a feminist idealisation, Canada may be El Dorado for lumber kings, in these days when newspapers grow bigger than books. And lumber kings may be the naïve overgrown schoolboys that feminists want all men to be. But not all Canadians are lumber kings. Canada cannot keep the men she gets, many of whom remove to the States to get food, even at the cost of not being able to get a drink until they have earned their entry into society. Secondly, I wondered what the play would look like in the provinces, when a touring company had knocked it about. What would be the comment of provincial audiences when they were told that what they were seeing was a great London success. Thirdly, while the display of the English aristocracy's resort to the hetaerae is funny enough, and the reaction of the aristocratic daughter a good and legitimate, though feminist, idea, it is puerile to convey the assumption that the future Canadian aristocracy will have no similar addiction. Mr. Frederick Jackson, the author, whether he knows it or not, has written a feminist day-dream, which the manner of writing invites us more to believe in than to treat as farce. The pleasure, then, is the work of the producer and actors, among whom three women, Olive Sloane as the actress, Renée Kelly as the lady, and Fabia Drake as the countess of a wandering earl, were excellent. The men were all conventional types, with which Patrick Waddington as the fiancé, Francis Lister as the Canadian, and Richard Gray as the earl-cook, did all that was possible to encourage the audience's enjoyment.

Glamour: Court.

"Glamour" is a play on Jack and Jill, who came from the Welsh Hills to take London by storm, she to become a musical comedy star, he to become a great artist. As a relation of Jill was already a star, they were not alone in London. But Jack fell over the star, who, having had to sell herself to old men for so long, unaccountably, seeing how many athletic young Welshmen there are in London, took him on. But Jack was a vain and naughty boy. In order to look his best when out with the talk of London, he left off his spectacles, with the result that, very shortly, he went blind, though only for two years, under a sort of young probationers' act of Welsh providence. Jill got on. She waxed into a star in a few months. She learned French, deportment, dancing, elocution, and singing quicker than Sexton Blake in his boyhood learned all science. By a contract with the backer, which included a lady's and gent's agreement for her body the week-end following the first night, she superseded her star relative as leading lady. Just as she was going on the stage, however, an old countryman from Wales, who hovered about Jack and Jill like a Salvation Army policeman, led the blind Jack into her flat over the theatre. When Jill saw him her heart was touched, and she wanted to go home with him, home to Wales. Then and there, with her backer standing impotently aside, Jill rang up the producer and called her performance off. She appointed the star whose glory had waned to go on in her place, and have her glory back. She took the blind young fool by the hand, and promised to take care of him.

Nearly all the events of this play, like nearly all the persons in it, are impossible, incredible, and undesirable. Heaven knows there are plays to be written on the young Jacks and Jills who come up from Wales to conquer London, and on the motives which either keep them here or let them go home. But if a young man whose own forgetfulness of the purpose for which he came, and of the girl who came with him, found that he had to go home for his health, and, on the eve of the girl's success, was mean enough to want her to go too, he would be kicked all round his village the minute the story got out. He would also be getting what he thoroughly deserved. Jill had twice verbally confirmed the agreement that she would sleep with the backer in return for her chance. She was a young lady of unusual talent and commonsense, another idealisation, indeed, for the human being with all masculine and feminine faculties perfectly developed in a female body. No doubt a lot of Jacks would like to find her and go home with her. But she would also have had sense to know that between the miserable Jack and the backer as men, not reckoning the overweight of money, success, and fame, the backer had vastly more to commend him, whether he originally came

from Wales or not. There is a place for the prodigal son to go to, but he has no right to the day-dream of taking Helen with him.

The author of "Glamour," Mr. Emlyn Williams, is said to be very young. That extenuates a little the writing of the play, but the friends who got it produced were flattering him to his detriment. There is no need to discourage him from continuing to write, but he must write about people and places that he knows something about. He has the knack of writing. He can write dialogue. When he is able to make the action of a play move rhythmically in place of jerkily, he may be able to create characters in a Welsh village. But his play about the London stage is false, and he must surely know by this time that neither the people nor the institution resembles in the least degree his pictures of them. If the young boy who comes to town, makes a fool of himself, and is taken back home by the talented girl capable of success, should by any chance appeal to any Welsh boys who yearn to be loved for themselves alone, so much the worse for them, whether in London or Wales.

Mary Dibley played the waning musical comedy star, Eve Lone, as though she were the wife of one of Galsworthy's bourgeois. She could not ever have been a star. The backer was played by *Harold Anstruther*, who made it as credible, in a quiet way, as such a mixture of types could be. *Monica Stracey* played the maid excellently, and *Alice O'Day* had a good try at The Honourable Mrs. George Pettifer, such a lady as never was, in or out of an actress's flat. The author played Jack, and *Frank Royde* achieved impossible success in making the man from the country as credible as he was. It is necessary to congratulate the actor for putting such work into so futile a task. *Betty Hardy*, as Jill, almost made it worth while seeing the play. She struggled with its impossibility, and by sheer personality and studied acting kept up interest in an impossible character whenever she was on the stage. Her Welsh was first class, and nearly so, unexpectedly, was her English. She is the one heavenly body with prospects of becoming a star which the performance revealed.

PAUL BANKS.

An Economic Tragedy.

One gathers that the daily papers have little notion of what constitutes "tragedy," for, when a man is run over by a 'bus, they will often call it a tragedy. In true tragedy there is a conflict of principle, leading inevitably to disaster. The distress in the coalfields is "tragedy," in so far as it results directly from a conflict of principle in economics. I propose to examine shortly the principle involved.

A diffusion of wealth is the first condition for a sound economy. But the principle implicit in all economic systems of the day (the profit principle) is one which leads inevitably to the concentration of wealth. Consequently, economic systems of the present day are not capable of supplying the main condition for a sound economy.

No matter what ideal of general prosperity a nation may set itself in the matter of its economy, wealth will tend, under a profit principle, to a concentration, and not a diffusion. Here are the initial elements of "tragedy." The aims of statesmen, who are whole-heartedly seeking their country's economic prosperity, will inevitably be defeated. No amount of "good will," no amount of patching here and tinkering there will serve to overcome difficulties, which, even if tided over, must recur again from the continued operation of the peccant principle.

An unrestricted profit principle represents nothing more nor less than exchange system, which is unregulated in respect of the bargaining power between the two parties in exchange; and will produce a "depression" in some industries, and a flourishing condition in others as readily as it will produce extremes of wealth and poverty as between individuals, or a characteristic "forwardness" and "backwardness" among nations. In short, by a principle of the concentration of wealth it is *impossible* to obtain its diffusion. Thus it will be necessary from time to time, to put up with the recurrent tragedies of the various industrial fields. Modern civilisation, when we are no longer "all against all," requires a different principle for the full development of its wealth.

What is wanted is a regulation of the profit principle; and to this extent, a modification of all existing economic systems. The unrestricted profit principle, the unregulated system of exchanges, are the equivalent of a measure—and a good round measure—of *laissez faire*. The retention of the profit principle is the "last ditch" of *laissez faire* left over to us from the "Industrial Revolution," and the economics of the Manchester School. Economists will not interfere with it, because they are more concerned with "what is" in economics than "what ought to be." All classes of industrialists fight tenaciously for the retention of this principle, and therefore for the principle of the concentration of wealth. If there were ever a "tragedy," it is this; for, with the best motives in the world, they are fighting for the retention of a principle which is economically unsound.

Since the profit principle is already altogether unrestricted in any way, it is evident that its "modification" cannot take the direction of its becoming still more unrestricted; but must necessarily, therefore, take that of its progressive limitation, until the desired diffusion of wealth is brought about, and the tendency to concentration ended. The limit of the possible in this direction is clearly the complete abrogation of the profit principle.

A. J. W. KEPPEL.

Drawing in the Net.

In July, 1927, four men held a meeting in New York. It was almost unnoticed by the Press. In November, 1928, the first official report of that meeting was given.

Such secrecy, combined with effective action, is characteristic of the movements of finance. The conference referred to was held by the heads of the central banks of America, France, Great Britain, and Germany. Sir Josiah Stamp, who also visited New York at the critical moment, made the only public statement when he described this meeting as "one of the most important in the history of industry," and said he believed that these four expert bankers were going to take such connected action as would prevent the automatic suction of gold into the United States.

After seventeen months Roy A. Young, Governor of the Federal Reserve Board, in a public speech given at the forty-eighth annual dinner of the Academy of Political Science in New York, traced the whole course of the Board's policy in assisting currency stabilisation in Europe in 1927 and revealed that when the policy was adopted the Board weighed the dangers of stock market speculation in America against the disadvantage of endangering the gold standard to Europe, and chose the former as the lesser of two evils. The turning point in Federal Reserve Bank policy, by which the efflux of gold from Europe was stopped, dates from this meeting held in July, 1927.

The ominous cracks in the financial structure were thus stopped up, and the creaking ship of Europe was once more set afloat on the current of the gold standard. It will be noted that the bankers take these decisive steps without consulting the peoples whose lives are vitally affected thereby.

A little later another meeting took place. To be precise, the date was April, 1928, and the meeting-place was Paris. It was barely mentioned in the Press, and no account was given to the public of the proceedings. Three months later the vice-president of the Institute of Bankers contributed an article to various financial papers under the title "Can Banks Promote Free Trade" and his opening paragraph was:—

> "Amid the excitement of elections, the opening of annual Budgets and other matters of absorbing national interest, it is probable that few even of the most assiduous of newspaper readers gave serious attention to a colourless announcement, which appeared in the early days of April, to the effect that the representatives of 22 central banks were in conference at Paris. Yet this meeting, held under the auspices of the League of Nations, represented a tangible advance towards an objective of the highest possible interest to the world as a whole. . . The Paris Conference of 1928 was, both as regards its constitution and its agenda, the nearest approach as yet made to the International Conference of Central Banks, proposed at Genoa. . . . The points at issue impinge on matters of prime importance to the world's welfare."

Despite its importance, or perhaps because of it, the agenda was not made public, nor again was the public accorded any record of the proceedings. The English Press was on this occasion most discreet. But there was an article in the *Wall Street Journal* of May 26 which was very frank, not as to what the conference decided, but as to its aims. Apparently the American people, not being victimised so much by the financial processes, were allowed a peep behind the scenes. The writer after enumerating the various countries represented at the conference, and which included twenty-two countries of Europe and Great Britain and America, states:—

> "The conference attracted little general attention in this country, although it has opened the way for international co-operation in money matters by perfecting the machinery necessary for the conduct of policies determined upon by the big four central banking systems—those of the United States, England, France and Germany.
>
> "*Concentration of the money power of the world into these countries makes necessary only the co-operation of the heads of their central banking systems to settle international financial policies for the world.*
>
> "But the effective carrying out of these policies, which embrace operations in all countries designed to stabilise currencies, prevent violent exchange fluctuations, protect the gold standard and other important economic ends, calls for the intelligent co-operation of practically all countries. A start in this direction having been made in Paris, probably there will be other conferences from time to time.
>
> "Although called by the economic section of the League of Nations, the meeting actually consisted of a gathering of the heads of the statistical and research departments of the various central banks as guests of the Bank of France. The men at the meeting were those who are responsible for supplying the information upon which the heads of their institutions make their decisions on domestic and foreign credit problems.
>
> ". . . The great importance in the co-operative spirit now evident in what might be called the mechanical end of the central banking systems of the world lies in the fact that it makes it possible for international monetary policies to become world-wide in their effect. The Paris conference did not discuss policies. But the conferees did discuss ways to a better understanding of one another's problems to make possible the carrying out of great international policies.
>
> "*The Paris conference was a definite step in the direction of effective international credit policies. The heads of the four great central banking institutions of the world, the Federal Reserve System, the Bank of England, the Bank of France and the Reichsbank, settle questions of policy. Countries less important financially have to fall in line in their own interest as well as in the interest of the world.*" (My italics.)

The net has been drawn tighter at each meeting. England's industries are wildly seeking an outlet in rationalisation and moratorium schemes. The breath is being squeezed out of the workers by unemployment and the threat of unemployment. But apparently Mr. Philip Snowden is not an "assiduous newspaper reader," for the news of these successive steps in financial centralisation appear to have escaped his notice. Or it may be that he does not draw the right inference, for he has broken out in the *Financial Times* of December 28 to the extent of nearly two columns. His theme is an urgent plea to the bankers of the world to get together with a view to the formulation of a common policy! Rip van Winkle is not in it.

But that may be another explanation. When the Indians wish to catch wild elephants, they use tame elephants as decoys. It is possible that the rulers of finance desire to call another meeting. But since Demos now shows a growing disposition to suspect the intentions of these assemblages of bankers, the intending conveners could make good use of a tame elephant in the person of a Labour leader. Mr. Snowden, besides calling for such a gathering, sets forth what he deems to be "conclusive" reasons for placing the exclusive right of note issue in the hands of the central bank, and declares that when the question of the transfer of the British Treasury note issue was proposed in the early part of 1928 there was no opposition to the transfer from any quarter. He touches upon the proposals for the reconstruction of the Court of Directors put forward by the Labour Party, which "would broaden its constitution while excluding political representation." Finally he adds:—

> "There remains one other matter, and that of the greatest importance, to be briefly mentioned. The report of the Genoa Conference contained a strong recommendation for closer co-operation among the world's central banks. It recommended that a meeting of the representatives of all the central banks should be called by the Bank of England at an early date. A common policy on the part of all the central banks in such matters as the control of the gold supply, the centralisation of gold reserves, and the stabilisation of prices would be of the utmost value to world trade and commerce."

The voice is the voice of Philip, but may we not attribute the inspiration to Norman—and beyond?

FRANCIS TAYLOR.

Hot Cross Buns.

"But how," asks Gibbon, "shall we excuse the supine inattention of the Pagan and philosophic world to those evidences which were presented by the hand of Omnipotence, not to their reason, but to their senses?" This question has been a poisoned arrow in the hearts of the faithful, who have found their only relief in effacing from their memories the very serious rivals of early Christianity. In spite of yearly assertions in the Press that hot cross buns are of Pagan origin His followers persist in forgetting that the pale Galilean had anything more difficult to conquer than the sadism of persecuting Emperors. Dr. Box's interesting little book* is therefore of value in reminding us of the struggle between Mithraism, the Iso-Serapis cult, and the worship of the Magna Mater on the one hand, and the followers of Paul on the other. The author treats all these religions very fairly on their merits, and comes to the conclusion that Christianity succeeded on account of its superior moral fervour.

The disintegration of classical religion had left Hellenic culture in a state of uncomfortable scepticism, Paul's rhetorical pronouncement that the men

* "Early Christianity and its Rivals." By G. H. Box, D.D. (Benn's Sixpenny Library.)

of Athens were "too superstitious" embodied a piece of shrewd observation. The time was ripe for a great moral revival. "The Stoic missionary," quotes Dr. Box from Dr. Edwyn Bevan, "preaching the self-sufficiency of virtue in a threadbare cloak at the street corners, had been one of the typical figures of a Greek town for many generations before St. Paul." The easy-going aestheticism of the old Hellenic spirit was crumbling before the almost Hebraic moralism of Zeno.

When Christ had finished His Sermon on the Mount great multitudes followed Him down into Capernaum, astonished at His doctrine, "for He taught them as one having authority, and not as the scribes;" but without His personal appeal such simple doctrines as He preached would have been laughed at, as indeed they were by His own townsfolk, who remembered Him as the carpenter's son. It was Paul's inspired formula, an Hebraic conception, of course, that put the punch into the new religion; and anyone who has listened as I have to the ingenuous triumph with which a country lay-preacher (a coal merchant on week-days) explained that the Blood of the Lamb was as good in law as a stamped receipt for a ton of Derby Brights, will appreciate the popular appeal of the Doctrine of the Atonement.

In short, the intolerance which distinguished Christianity from its predecessors formed a wedge which drove through the more liberal and aesthetic cults, and so we no longer breathe the "air of freedom, of literature, and of Paganism" which Gibbon ascribes to the education of Julian the Apostate. The people favoured the Lamb of God before the Bull of Mithra, whose last supper they deserted for that of Christ; the sexual indecencies of the old religions were replaced by the obscenities of fleshly mortification; and yet, once a year, in a so-called Christian country, we still have hot cross buns for breakfast.

MICHAEL JOYCE.

The Screen Play.

"Nemesis."

When Ladislas Starewitch's delightful marionette fantasy, "The Magic Clock," was first shown at the Rialto in November, it was apparently included in the bill as an afterthought, and was not even mentioned in the programme. The unanimous praise of the critics gave this little masterpiece the reputation it deserved, together with a long run, and focussed interest on "Nemesis" (Tussaud's Cinema), a film which was rather overlooked when originally shown in England. It is disappointing, because the wedding of a marionette drama to a screen play with human actors and actresses tends to be too much of a hybrid, especially when, as here, the story is somewhat banal. The theme, that of the Ant and the Grasshopper, is far more convincing and more interesting when the marionettes hold the stage than when it is occupied by the human beings who, by a curious although understandable paradox, seem far less real and more wooden than the puppets. This despite an excellent cast, including Warwick Ward, Camilla Horn, Gustav Frölich, and Hertha Walter, whose performance stood out from those of the remainder. "Nemesis" is a film out of the ordinary and one well worth seeing, but it would be improved if the human story were cut out.

"Cinderella."

Mr. Leslie Ogilvie, who has made the Avenue Pavilion the most artistic picture theatre in England, and has presented more first-class films there during the past twelve months than any other three houses in London, set the seal on a distinguished season by reviving Ludwig Berger's "Cinderella" at the end of the year. This is the most charming film ever made, and although exhibitors have treated it as a pestilence for years, despite its reception by the critics when it was first shown in England in 1925, there are hopes that the commercial success of "The Magic Clock" will induce other managers to take an interest in Dr. Berger. I use the word "charming" advisedly; it is so emphatically the *mot juste* in this instance.

The delicate fancy of Perrault is here wedded to the rhythm of the Russian Ballet, the acting is perfect, the setting shows German architecture at its most delightful, and the screen is the only possible medium for the type of magic employed here with such success. After this picture the transformation of Cinderella in the most elaborately-staged pantomime is in comparison elephantine in its clumsiness. The remarkable cast includes Helga Thomas, Paul Hartmann, Lucie Hoflich, Freda Richard, Hans Brausewetter, Mady Christians, and Olga Tschechowa, all of whom have won international reputation since the original production. As the stepmother, Lucie Hoflich gives a really powerful impersonation of a sadist. See "Cinderella" if you want to discover the film at its best.

"Secrets of the East."

This much-heralded Ufa production, directed by Alexander Wolkoff, is described as a film that will present to the kinema critic "a philosophical study of the East that has rarely been seen before on the screen." To at least one critic it presented nothing of the kind. The whole production is stucco, it is reminiscent of the Earl's Court Exhibition rather than the Orient, the action drags to the point of tedium, and the principal players appear to be walking in their sleep. It is regrettable to see so much time, money, and talent fribbled away in this manner, and to encounter on the screen that brand of Teutonic clumsiness which we have not hitherto learnt to associate with German films. An apter title would be "Secrets of Wardour Street." It seems to have all the elements of a popular success.

"Our Dancing Daughters."

Save for "Shiraz," which is in so different a class that no comparison is possible, this is the best film yet shown at the Empire. Apart from its drama, it interested me as a social document, and incidentally helped me to understand better Judge Lindsay's "Revolt of Modern Youth." Here you have the soul of Young America, its defiance of authority, its amorous experiments, and its stark crudity, behind which there lies, as in most young things, a note of pathos. The film itself begins on conventional lines, but the development of the theme is unusual, and the critic who would give away the denouément would be a spoil-sport. Joan Crawford has here the best role in which she has yet been shown to the British public, and her performance is incomparably better than in "Eternal Youth."

"Japan."

This is a much curtailed version of a film previously shown in London, which has been presented at the Stoll Picture Theatre, whose management, I am glad to record, intends to make a feature of travel films. It impressed me again with a sense of the immeasurable loss sustained by the Island Kingdom when she accepted the whole range of our Western civilisation from the bowler hat to poison gas, and from sky-scrapers to the sweat-shop. The present version might have been better edited, but its pictures of pearl culture and ancient shrines will appeal to those with a taste for the fascinating pastime of travel by proxy.

DAVID OCKHAM.

Reviews.

The Minutes. By A. R. Williams. (Fowler Wright. 7s. 6d.)

"The Minutes" appears to be a collection of sketches of provincial life. "Appears" because it was not till the end of the second sketch that I realised that this was not a novel. This is a serious criticism. To be readable any sketch, or story, or indeed any literary unit, must have what Coleridge called organic form; it must be something more than a slab of material.

M. J.

The Land of the Frozen Tide. By Louise Rourke. (Hutchinson. 21s. net.)

This is a book which is well worth reading. It is a pleasantly written account of two years spent in a most inhospitable land with which most of us are very unacquainted. In spite of the awful cold and wind, the perpetual pests, and the very rough company, Mrs. Rourke has managed to see any humour which came her way. She is, too, somewhat of a poet, and so has noticed things which might have passed unnoticed, and also taken a real interest in the folk-lore of the Athabaskan Indians. Her information is wide, for her husband has spent twenty years in the country.

L. W.

The Complete Novels of Jane Austen. (Heinemann. 8s. 6d.)

These "much in one" books are very popular just now; all the publishers are issuing them. It was Messrs. Heinemann, I believe, with Galsworthy's "Forsyte Saga" in one huge volume, who started the fashion. This firm now gives us the six complete novels of Jane Austen, with an introduction by Mr. J. C. Squire, the whole filling fourteen hundred large pages. The type is clear and not too closely spaced, the paper reasonably opaque considering the amount of pages, and the price, eight and sixpence, is certainly cheap. The editor will not expect me to say anything about the contents. That were like rising to say a few words about "Hamlet." But I should like just to say "Thank you" to Mr. Squire for his very entertaining introduction.

J. S.

The Flying Kestrel. By Captain Dingle. (Heinemann. 7s. 6d.)

Since Jack London set the fashion for he-man tales about monstrous, iron-fisted 'Frisco skippers, with bucko mates following close behind them while they pulp the faces of their shanghaied crews to jelly by way of ensuring a happy ship, the first thrills of such goddam romance have been spoiled for us. Besides, has not Captain Ahab, now that even the movie magnates have discovered him, ruined the taste for anything less than a whale-eating skipper or a man-eating whale? It says much for this author that he has written a book which, although it labours rather painfully at first in a trough of dullness and a pretentious maelstrom of marine technicalities, livens up as soon as the lady arrives, and readily shapes into a soundly interesting, companionable sea-story, certainly good enough for the *Saturday Evening Post*, if that may be taken as a compliment. Captain Dingle has created, in his brother-captain Val Orson, quite a figure of a man.

L. S.

The Peacemakers. By Alice Ritchie. (Hogarth Press. 7s. 6d.)

We do not imagine that the League of Nations will be unduly pleased by this unflattering epic presentation of its insides at Geneva. The peculiar poison of that atmosphere, partly due to the climate in the off season, partly to the mixture of international clerkdom there assembled, is breathed in, enjoyed, and breathed out again by as queer a school of fish as ever were dragged up by the net of a marine biologist. To draw the English type, each close-set throughout the day in its little salaried cubby-hole, and agglomerating after office hours in some stuffy cheap pension or pudgy, pretentious flat, is either a very difficult task indeed, or quite a simple matter, once you get over the first nausea, by reason of the dismal force of the types themselves. But no one who has not been in "the Office" could do the trick. What Dickens would have made of it we hardly know. He might perhaps have shed a higher light upon its petty tattling, its brainless pomposities, its flat, obedient uselessness, and its streaks of complete though aimless villainy. Perhaps Miss Ritchie has done just as good service by keeping the lights subdued. Certainly she has written a very remarkable book. Hundreds will dislike it, and thousands more would never bother to understand it. But to the reader who likes to savour the tang of unpleasant reality we recommend this unofficial Report of the League's activities, if only as an acquired taste.

LETTERS TO THE EDITOR.

AN OUTLINE OF SOCIAL CREDIT.

Sir,—You will doubtless allow me space to reply to H. M. M.'s letter in your issue of December 20. The last sentence in paragraph 4, Part II., of his Outline is a *non sequitur*, and only sophistry can make it anything else. It is a *non sequitur* because, even if every single firm we can think of has to make "outside payments," it does not follow that this is true of all firms *collectively*. The "outside payments" of a group of firms may all be made *within the group*. Consequently, such a group, on H. M. M.'s own showing, could buy the product with its income. H. M. M., therefore, has failed to show that "the purchasing power in the hands of the community is chronically insufficient to buy the whole product of industry."

ARNOLD J. W. KEPPEL.

[The "outside" payments of individual firms composing such a group as is here imagined would not have become "inside" payments in H. M. M.'s definition. They would remain "outside" payments just the same: for whatever the magnitude of any group (whether a town, or country, or the world) there is something external to it which, in the final analysis, receives these payments and destroys the credit—namely, the banking system.—Ed.]

"THIS INSUBSTANTIAL PAGEANT."

Sir,—Would it be impertinent to suggest that "R. M." —re "This Insubstantial Pageant"—state more clearly where he stands? "The primacy of mind" can so easily mean the substitution of metaphysical cloudiness for the present basis of science that I would it were made more manifest what the outcome of Professor Eddington's book really is. Does he subscribe to the idea that the theory of relativity has abolished the deterministic foundation of science, as "R. M." apparently seeks to make out? And does Professor Eddington, or any other scientist of repute, base any of his conclusions on the alleged fact that "what goes on inside the atom has to be left to the imagination and intuition"? What they do *know* seems to come under the control of the mechanistic principle, and to the ordinary intelligent person that seems good enough justification for extending its scope. To "R. M.," however, "mechanical certainty" is less desirable than "calculable probability," which comes about by "the *causation* of secondary physics," a confused muddle which raises a suspicion that its author is reading a meaning into Professor Eddington's book which is not justified.

What, again, is that absurd thing which "comes nearest to an absolute in the flux of changing and trembling law"? According to "R. M.," it is consciousness, which the Professor has rehabilitated as "the one valuer." That amounts to asserting, without a shred of evidence in support, that the mental processes are outside the domain of natural law; that consciousness functions independent of motive. Not entirely so, for it is not quite an "absolute," but nearest of everything to it. "R. M." quotes his author to the effect that the quantum physicist, as against the classical physicist, studies "the art of the bookmaker, not that of the trainer," and I fancy that some of that art has found its way into "This Insubstantial Pageant."

H. B. DODDS.

"R. M." replies: Mr. Dodds raises two issues which need to be separated. His first question asks where I stand, but most of his letter suggests that I have misrepresented Professor Eddington. Where I stand is scarcely to the point. Whether I misrepresented Dr. Eddington can be ascertained by reference to his book. As I sympathise with Mr. Dodds's incredulousness in face of such views from a scientist of repute, however, I will try briefly to answer his questions.

The basis of classical physics is a metaphysic which does not serve the relativity and quantum-physicists. As many of them are explaining, they require a new metaphysic. Professor Eddington does explicitly subscribe to the idea that the quantum-research has abolished the deterministic foundation of science. He does, as do others, base his views on the fact that what goes on inside the atom has mainly to be deduced from what goes on outside by imagination and intuition as well as reason. The mechanistic principle is in question because, as I made quotations to show, *some* of the things which the quantum-physicists know conflict with it. The "meaning" need not be read into Professor Eddington's book. It is set down.

What I wrote of consciousness is again explicity stated by Professor Eddington. It is the only thing one can be

sure about. As my quotation from Professor Bertrand Russell, taken from Professor Eddington's book showed, consciousness creates the image of the universe most convenient and pleasant to live in. There can be no truth without assuming that "consciousness" is capable of perceiving it. The quantum-physicist has found that the art of the bookmaker is more profitable for his pursuit than that of the trainer. So has the bookmaker!

The Social Credit Movement.

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

SUBSCRIPTION RATES.

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