

THE NEW AGE

INCORPORATING "CREDIT POWER."

A WEEKLY REVIEW OF POLITICS, LITERATURE AND ART

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NOTES OF THE WEEK.

The Duke of Richmond and Gordon has been forced by the pressure of taxation to offer for sale a considerable number of pictures and books from his residences at Goodwood House and Gordon Castle, in Scotland. He told a *Star* representative who interviewed him:—

"In consequence of the heavy succession duties and the increasing taxation which has to be met by persons situated as I am, more especially landowners, I find that there is no other course open to me if I want to continue to live at Goodwood and to employ those who are connected with the estate."

The Duke succeeded to the title and 286,500 acres of land in 1928. He served in the South African War and was permanently crippled by wounds in the Great War.

One may reasonably infer that this estate, large as it is, has not been yielding a "profit" sufficient to provide for the taxation to which it is legally liable. It is incredible that the Duke's decision to part with Van Dyck pictures—including portraits of Charles I. and Charles II.—would have been taken had there been other means of raising money compatibly with the maintenance of his possession and control of the estate in its integrity. Any form of borrowing jeopardises the possession and impairs the freedom of control. Moreover, since the proceeds of the borrowing are yielded up to the State, and not ploughed into the property itself, the interest charge represents, as it were, a demand for a crop which has not been sown. The estate is in the same situation as an industrial concern would be when faced by the necessity of finding more orders and revenue, while being unable to develop its efficiency and cheapen costs.

If and when a landowner complains of this dilemma he provokes the easy retort that he can solve it by selling part of his property to others who can make better use of it—that he is a dog in the manger who will not, or cannot, improve his

land, and yet refuses to allow others to do so. People who make that retort are able to adduce a large body of instances where landowners have impeded industrial and public enterprises by refusing to sell or charging heavy prices for land when they have sold. In very many of these cases it was, *at the time*, unquestionably against the public interest that the landowners should impose these obstacles. But in the light of the latest research into the credit-question it is becoming more and more clear that the removal of the obstacles has not benefited the public. Between the old landlord with his monopoly of land protected by law, and the modern banker with his monopoly of credit protected by law, there is no practical difference insofar as the economic comfort and security of the average citizen is concerned. Nor is there any moral distinction between the falling-in of leases to the ground-landlord and the recalling of loans by bankers, or between the levying of ground-rents and the levying of interest-rates. Moreover, under the land-leasing system you did at least enjoy undisturbed possession on definite conditions for a foreknown period, but under the money-leasing system your possession is liable to be ended at any time without notice by the bankers, who have the legal power to withdraw their loans or change their rate of interest whenever they think necessary. The rights of ownership to-day, in respect not only of agricultural, but also of industrial property, are conditioned by the bankers' monetary policy. The landlord and capitalist are virtually only leaseholders of the property which is nominally theirs. The bankers, on the other hand, freely exercise all the powers of a freeholder in respect of money. They justify this on the pretence that (1) they have only a limited amount of money to dispense, (2) that this money has been entrusted to them by individuals, (3) that they owe a duty to those individuals not to risk the money, (4) that therefore they must lend it to those borrowers who, in their judgment, are least likely to default in payment of interest and principal. The truth is that (1) there is no limit to the amount of money they have the

power to lend, (2) they create the money they lend at the time of lending it, and so far as the money of depositors is concerned, they could replace losses without cost to themselves, (4) they need not incur any risk in lending money to any borrower who uses it in making or doing something needful or useful to the people of this country. To the objection that those things which are most needful or useful are not necessarily those which earn the best profit, the reply is that the bankers have the power to ensure that they do. It is merely a matter of an adjustment in accountancy, the nature and method of which has been explained by Major Douglas in his books and also in his evidence before the Canadian Government's Committee on Banking and Currency.

Hence, food, clothes and houses being prime essentials, the manufacture of them could be made the safest and the most lucrative of economic activities. All three of these are land products, or embody such products in a high degree; so the implication of this statement is that British agricultural enterprise as a whole could be made the best of all gilt-edged investments. Cinderella could reign over her ugly sisters.

This is not intended to suggest that a revival of agricultural prosperity must entail any restriction of industrial prosperity. It is true that in the past capital has been subsidised at the expense of land; and this would suggest that a reversal of the policy must reverse the consequences. But the answer is that the development of capitalism need not have involved such sacrifices. Agriculture and industry could have been developed side by side. And today it is possible to make good the past neglect and develop agriculture without penalising industry, and even without arresting any such industrial development as may still appear to be desirable. The achievement of this is, as we have indicated, a matter of adopting new methods of administering and accounting credit. The reason why it is not attempted is because the bankers have no desire to revive agriculture, and, by reason of their control of credit policy, are able to prevent its revival.

This political power of the banks rests primarily on the fact that political power is derived from economic power, and that economic power cannot today be activated except by the use of money, which the bankers control. The control is maintained by the exercise of their power (1) to grant or refuse loans to whom they choose; (2) to recall loans when they choose; (3) to charge the rate of interest they choose. Because of "(1)" the bankers can decide what kind of things shall be produced, and the extent to which they shall be produced. Because of "(2)" producers are driven (a) to charge the highest prices they find it possible to get; or (b) to borrow from individuals who are willing to leave their money on loan indefinitely on the chance of dividends (ordinary shareholders) or on the guarantee of interest (debenture holders). For producers are obliged, by either of these means, or both combined, to provide funds to cover the bankers' demands for repayment. By means of "(3)" the bankers can encourage or discourage borrowing according to whether they raise or lower their interest rate. The effect is the same on borrowings of private credit as it is on those of bank credit, because private investors naturally require a higher return from producing organisations than they could get by depositing their money safely in a bank.

In these circumstances it is clear that the position of borrowing-producers taken as a whole is one

of risk—risk of being caught short of money. And since the general body of consumers derive their incomes exclusively from the producers in return for services rendered, the risk lies over the whole population. Because of this, both business concerns and private individuals are obliged to put aside money, when they have it, for a special sort of investment called *insurance*, insurance against fire, theft, unemployment, illness, death, etc.—and even against the incidence of taxation, as in the case of succession duties. And as regards taxation in general, it should be added that the bankers inspire and control the *policy* of taxation irrespective of the political complexion of the party in office. In a financial sense a Government is not different from a business concern: it buys goods and services on behalf of the population, and charges the population for them. Hence the bankers are able to control even the character and volume of the public services. Without going into the many secondary consequences which might be expounded here, it is manifest that the bankers are the supreme government, and are so because they enjoy the exclusive monopoly of an indispensable product, which is *money*. Every major conflict, social, political, industrial, and international is ultimately about *money*.

The march of the financier towards supremacy over landed interests (and, to-day, over every other interest) may be said to have begun during the period when the liability of nobles to raise armies for the service of the Crown was being commuted for money payments. As soon as the nobles thus became liable to deliver money, and not men, their power was undermined and their function in the State subtly changed. To obtain money they were obliged to fulfil the one condition essential to obtaining money. This condition has not altered since that time. It comprises two obligations, viz., (a) *to make or do something*; (b) *to sell the product or service*. Of the two the latter is the essential, for it is no use making what cannot be sold.

The landed proprietor thus gradually became a business proprietor. Instead of rearing and maintaining a given minimum number of fighting men on the products of his estate (a process in which the use of money was not an integral factor) he had to treat the estate as a money-raising enterprise. He had to "export" land-products to the growing industrial areas. This exportation had naturally always been going on, since the non-agricultural population of course consumed agricultural produce; but the difference was that, prior to the money-com-mutation, the landowner and his serfs would have been able, if they had liked, to support life irrespective of whether any of their land-products were sold externally or not. In respect of staple products the countryside could not only blockade the town, but could prosper all the more in consequence if it chose, because it could consume or accumulate more of its own production. (Such power has been seen actually exercised by the peasants in Russia since the Revolution.) But the change-over to money-taxation transferred the power of blockade to the town; and this power began to be exercised against the countryside.

From then to now the disintegration of landlordism and agricultural activity has proceeded imperceptibly and continuously. The first factor in the process was the transfer of *military power* from the control of the landed nobles into the hands of a central authority, at first into those of the Crown, but later into those of the Crown's Advisers (Ministers) and, to-day, into those of the bankers, who "ad-

—for in the last analysis all debtors are serfs of the banking monopoly and live under a system of financial feudalism.

Expropriation *ad hoc* is often defensible, but indiscriminate expropriation is not. The succession duties are the most flagrant example of this indiscriminate expropriation. They are founded on the presumption that large inheritances are *ipso facto* an evil. They are devised and levied not to raise revenue but to redistribute the ownership of property. It sounds most equitable, but in practice it achieves no equity, as we have seen by the example just given. It transfers power from the citizen to the banker. This principle of expropriation is to be seen operating in the case of the most humble owners of property. In a district that we have in mind there has lately been a re-assessment of house property. In one street, little dwelling-houses which had been assessed at about £30, were re-assessed to be £42. The raised assessments do not necessarily involve an increase in the aggregate amount of rates paid by the owner, but they involve automatically a pro-rata increase in the amount of property tax levied. At 2s. in the £ there is in the above case a jump from £3 to £4 4s. per annum in respect of every owner. The owner, if he asked why he should pay, would be told that as his property is worth more than it was, he ought to pay more on it. If he pointed out that he had bought the house for his own occupation, and was using it for that purpose, and that therefore its increased value did not put a single penny into his pocket towards the required £1 4s., the reply would be that if he could not find the money out of his income he could take in a lodger; or sell his house and buy a cheaper one; or let it, and rent a cheaper one; or borrow on its increased value. Every one of these alternatives involves coercion on the individual to treat such an intimate thing as his home—the immediate extension of personality itself—as a marketable product. If he can help it he does no such thing. He pinches his personal expenditure somewhere and "takes it out of the tradesman."

The transfers of the three powers did not take place in the definite chronological sequence described, but more or less concurrently. This helped to conceal the nature and direction of the change from the people who participated in bringing it about. To the ordinary elector it appeared that he was coming into the reversion of the landlord's privileges, for he suddenly heard his wisdom being extolled, and found himself in possession of a vote exercisable under the protection of the Secret Ballot. The few more sophisticated business men and politicians realised that the object of conferring the new political freedom was to secure the transference of power to industrial capitalism, and as time went on they had ample witness that the object was being achieved. But they did not suspect that this expansion of the power of industrialism was derived from a force not inherent in industrialism as such (i.e., not in the possession of factories, plant, and equipment). The success was due entirely to the driving power of financial credit, a power merely loaned to capitalism by the bankers. To-day this truth is being made more and more manifest. It is being realised that while the bankers were assisting the capitalist to expropriate the landlord, they were doing so by methods which conferred on themselves the power to expropriate the capitalist.

All so-called reforms have been achieved that way, and with the same consequences. Some abuse is discovered. A landlord somewhere refuses a site badly needed for a factory or for housing. Very good. Legislation is passed having the effect of forcing him (and others in like circumstances) to defer to the "public interest." But the legislation is so drafted as to make legal the confiscation of landed property irrespective of the public interest at all. For instance, a few years ago, not long after the war, a ground landlord in Cornwall had to sell his estate. He offered the first option to purchase to his tenants, small farmers who were living and working on his land. These farmers, fearing the consequences of a sale to strangers over their heads, accepted the offer. It was not a voluntary acceptance, because in order to buy they had to borrow. In saving a rent-charge they incurred an interest-charge; and granting that there was a margin of saving in the change, it meant no saving in the end, because of the allowance that had to be made for their new monetary liabilities of ownership (repairs, maintenance, etc., plus any new statutory demands that may be made on them). They are no more independent than before. They are no better off. As mortgagors they are not freeholders, they still remain tenants, with the difference that their landlord is not a person but a soulless financial hierarchy

—for in the last analysis all debtors are serfs of the banking monopoly and live under a system of financial feudalism.

Succession duties on large estates are comparable to this re-assessment ramp. They have the same coercive effect. And so the Duke of Richmond and Gordon has to sell his pictures, and Lord Faversham had to sell part of his estate and the timber—"timber" being the commercial concept of a tree. It is of no use for these and other landed proprietors to make general complaints, for they are surrounded by people who have equally pressing grievances of their own. It is of no use, either, for them to wait patiently for things to get better. They will get worse. In fact, we received and reviewed a book by an Italian economist a year or so ago explaining a scheme by which estates, at the third succession, would be extinguished. The book was sponsored by a distinguished public man in this country (we have an idea that it was Sir Josiah Stamp) and there is no doubt that it was, and is being, seriously considered by the financial authorities advising the Government.

Nor must they waste time and energy in trying to remedy their grievances by getting Parliament to help them. Parliament has renounced the right to interfere with the bankers' credit-policy: and even if it had not, there are so many other grievances waiting for a remedy that if it attempted to deal with any one of them the sufferers from the others would combine against it. Everybody naturally wants his own troubles to be dealt with first. There is a policy which can afford simultaneous alleviation to them all, and ultimately remove them, but since its adoption involves interference with the

bankers, and the bankers rule over Cabinets and Parliaments, it can only be ushered in by influences working outside the representative system. These influences should largely work outside the business system, because inside that system there is such abject acceptance of bankers' policy, whereas the new policy demands at least a suspicion of the existing one, and preferably an informed and sustainable rejection of it.

We showed last week that the bankers have carried the expropriation of rights and privileges up to those of the Crown itself, whose prerogative they now exercise. By the term bankers we do not mean the bank chairmen and managers with whom the public come in contact. These are only administrative functionaries. The control of *policy* lies in the hands of a small group of financier-statesmen in this country, who work in alliance with similar groups in other countries. As will be seen, it is not necessary to identify them; all that is necessary is the knowledge that, whoever they are, they are merely a numerical fragment of the population who, if their policy is resolutely challenged by influences aware of their methods and objectives, and able to counter them, will be defeated. To illustrate what we mean: suppose that by law every commercial transaction had to be consummated by the seller's treating the buyer to a glass of beer. Suppose that commerce began to dry up because there was not enough beer available to wet it. Suppose that the legal power to brew beer were the monopoly of one brewery. The problem would be to get more beer. Now if the brewing of beer were a secret process, subdivided in operation within the brewery among the staff so that none knew the whole process, the country would be at the mercy of the people who knew the secret and controlled the brewery. They would have to be identified, and persuaded or bullied into brewing more beer or telling others how to do it. But in the case of the banking system neither of these conditions exists. Everybody who cares to do so can learn the whole secret, from the manufacture of money (credit-creation) down to the ultimate consequences of its accountancy appearing in costs, prices and taxes. As for the manufacture itself, the operation is so easy that it has been made illegal. Secondly, and for the same reason, the banking system as now constituted and administered, is not the indispensable source of money. Its monopoly of the manufacture is a pure privilege, which was originally conferred on it by the nation as a matter of convenience. Today the nation is discovering it to be very inconvenient, and would undoubtedly support a strong and responsible set of leaders who proposed to remove the inconvenience either by withdrawing the privilege from the banks, or extending it to other institutions, or both. The manufacture of money is a prerogative of the Crown. Therefore, the above proposal would be compatible with constitutional law, and could be given legal effect by the Crown.

A Royal act of that kind would infringe constitutional conventions. But as we saw last week infringements themselves become new conventions if they can be carried out successfully. Now, in this connection, "success" simply means the public's acquiescence in the *fait accompli* and, essentially, in the practical consequences. If to-morrow the newspapers announced that the King had, independently of his Ministers, sanctioned the printing and emission of £200,000,000 in currency-notes under Treasury auspices, that Messrs. Waterlow had supplied machines for the purpose, and that he had sanctioned the use of the money for the relief of

taxation on a plan which he approved, not one individual in a thousand would disapprove, granted that all he read was the announcement. Quite otherwise if his newspaper told him that he *ought* to disapprove. But supposing that in spite of general disapproval the new influences now (by presumption) advising the King, were able to get the project carried out, that the new money appeared, and that the practical consequence intended actually took place, namely a perceptible relief of taxation without any counterbalancing penalties. What would become of the artificially inflated expositions of the electorate? Can you see them voting to hand the money back? As for the question of the "unconstitutional" method employed, nobody would trouble about it except perhaps to say to himself: "Every-thing's constitutional that puts money in my pocket." Constitutionalism, as interpreted to-day, amounts to the doctrine that you must not call the bankers' bluff.

But is it bluff? That is a question which the Crown's new advisers, in the hypothetical case described, would have had to satisfy themselves about. Happily to-day the question can be narrowed down to a single issue. Mr. McKenna has stripped away a good deal of it by his demonstration that banks are not merely lenders of deposited money, but that they actually manufacture the money that they lend. It is not seriously disputed by any responsible monetary authority, orthodox or otherwise, that the amount of money which can be manufactured and put into circulation is without any limit. But the bankers are free to fall back on a supporting bluff. They say: "Look what happened in Russia and Germany, and thousands of others say it after them—the latest being Mr. J. H. Thomas last week, who suggested that our troubles to-day are the result of our resort to the 'printing-presses' during the war. The insinuation is that there is a strict limit to the volume of credit that may be put into circulation, and that only the bankers are competent to gauge it. If the limit were to be exceeded by non-experts, it is said, complications would be caused in price-movements and exchange-rates, which would react disastrously on trade and prosperity. But this final piece of bluff has been called by Major Douglas. Firstly, he has shown the nature of the limit on credit-issues, and has provided information on how to ascertain it. Secondly, he has shown that up to that limit the expansion of credit in circulation can proceed without causing any of the complications that the bankers prophesy. The limit is a physical one. At any time there is seen, on the one hand, a surplus of productive capacity in industry or agriculture, and, on the other, a need among consumers for more goods than they can buy; that is a sign that the amount of credit in circulation is inadequate and may be increased with safety. The technique of the remedy need not be described now: it can be studied in Major Douglas's works. The point of what we are saying is that a grasp of the new policy both as to principle and practice is within the competence of any person, without reference to whether he has had banking experience or not. As we said above, the less he has had to do with practical finance the more likely he is to know what to do. He has less to unlearn. With a clear view of both the end of the policy, and the steps toward the end, he will gain that confidence which is necessary to press it forward against the opposition of the bankers.

The term "person" that we have in mind has primarily a general application to people of influence—those who can inspire loyalty and command obedience—the class of rulers, by tradition, birth and training. There are plenty of them, and it is on them primarily that the patriotic duty rests of freeing the country from financial serfdom.

A Plea for Prerogative.

The possibility of reviving some of the royal powers of prerogative which are now in abeyance in order to combat a despotic executive is worth serious consideration. Might not the King some day successfully emulate King Magnus in Shaw's play by upsetting the apple-cart of the financial hierarchy? The present trend of events has led the executive to regard the monarch as a mere rubber stamp whose object is to give a constitutional imprimatur to their arbitrary decrees. That the constitutional lawyer has never regarded this as the royal function is sufficiently indicated by quoting Sir William Anson's opinion on the value of kingship:—

"Although the discretionary exercise of legal powers has passed from the Crown, though it has become the instrument through which his Ministers give effect to the policy which they believe to be approved by the country, the real influence of the Sovereign of this country is not to be estimated either by his legal or his actual powers as the executive of the State. The King or Queen for the time is not a mere piece of mechanism, but a human being carefully trained under circumstances which afford exceptional chances of learning the business of politics. Such a personage cannot be treated or regarded as a mere instrument: it is evident that on all matters of State, especially on matters which concern the relations of our own with other States, he receives full information, and is enabled to express, if not enforce, an opinion. And this opinion may in the course of a long reign become a thing of great weight and value." (*Law and Custom of the Constitution*, Vol. II., Pt. I, p. 49.)

An excellent example of this statement is furnished by the Memorandum communicated by Queen Victoria to Lord Palmerston in 1851, requiring that this Minister "will distinctly state what he proposes in a given case, in order that the Queen may know as distinctly to what she is giving her royal sanction," and also that "having once given her sanction to a measure, it be not arbitrarily altered or modified by the Minister. Such an act she must consider as failing in sincerity towards the Crown, and justly to be visited by the exercise of her constitutional right of dismissing that Minister." As a result of his continued disregard of the royal wishes in the above respect Lord Palmerston was dismissed the Foreign Office.

Besides that of dismissing Ministers whose conduct is palpably unsatisfactory, there are two other branches of prerogative which deserve mention; viz., the legislative veto and the dissolution of Parliament. The veto has never been actively employed in England since Tudor times, though George III.'s threat to do so if a Catholic Emancipation Act were passed caused the fall of two Ministries and prevented such a Bill being introduced in his lifetime. But the veto has frequently been exercised in the Colonies through their Governors acting on legal advice, and there seems no valid legal reason why the King should not, on taking the advice of his lawyers, refuse to sanction legislation whose nature is to put unbridled power into the hands of his ministerial servants and the latter's departmental staffs. The right of the King to dissolve Parliament is unquestionable. Queen Victoria regarded it as "a most valuable and powerful instrument in the hands of the Crown, but one which ought not to be used except in extreme cases, and with a certainty of success" (*Letters*, ii, 308), and considered that it could only be granted where a Ministry and a House of Commons was out of harmony with the electorate. The advent of three parties in the political arena, none of which has an independent majority, has given rise to the opinion in some quarters that the King might, in the case of an unscrupulous Ministry, exercise the prerogative of dissolution by granting it or withholding it as he thinks fit. Here, then, are two potent weapons which, in the hands of a conscientious ruler, might be with

advantage revived to curb the activities of an evil Government.

There is no doubt that the immediate exercise of any branch of the royal prerogative against the tools which are in political power by the support of the credit monopolists would be publicly denounced as "gravely unconstitutional" through microphone and printing-press. But the question whether any given act of the King is unconstitutional is purely a matter of individual opinion. The King is Sovereign; legally his powers are unlimited—in practice they are exercised by his Ministers (who are still euphemistically referred to as his "servants" in summonses to attend Cabinet Meetings) by reason of their representing a majority in the House of Commons. If in the national interest he chooses to act within his legal rights and "gets away with it," who is going to stop him? If a Royal act commands popular support it matters little how "unconstitutional" its political complexion may be. There are several examples of such acts in the history of this country during the past 150 years; e.g., the rejection of Fox's India Bill which placed virtually unlimited powers in the hands of governing Commissioners in 1783, by George III. sending word to the House of Lords that any member who voted for the measure would henceforth be treated by him as a personal enemy; William IV.'s dismissal of Lord Melbourne's Ministry in 1834, though it had a majority in the House of Commons; Queen Victoria's abolition by royal warrant of the purchase of Commissions in the Army in 1872.

The zeal with which our Whig fathers took care to reduce the possibility of Royal interference in political affairs to a minimum was unfortunately misplaced, since it resulted in the establishment of a despotism more vicious than that which it was directed to prevent. "It is manifestly easy," writes Lord Hewart, "to point a superficial contrast between what was done or attempted in the days of our least wise Kings, and what is being done or attempted to-day. In those days the method was to defy Parliament—and it failed. In these days the method is to cajole, to coerce, and to use Parliament—and it is strangely successful. The old despotism which was defeated offered Parliament a challenge. The new despotism, which is not yet defeated, gives Parliament an anaesthetic. The strategy is different but the goal is the same. It is to subordinate Parliament, to evade the Courts, and to render the will or caprice of the executive unfettered and supreme." ("The New Despotism," p. 17). Since we have such abundant proofs that political power in this country has been usurped by a callous despotism of international finance, is it not meet that we should look for aid, like Bolingbroke, to a patriot King who will restore not only his head to the currency notes of the realm, but prosperity and happiness to the people? This is the true Royal standard!

H. M.

"I appeal to Lord Rothermere to join us in this enterprise. I appeal to him as the great master of popular opinion to come forward as the leader of our crusade, and with his unrivalled power and influence to open the eyes of the electorate to the wisdom of our policy. It was Lord Rothermere, and Lord Rothermere alone, who carried the Conservative party to triumph in 1924. Without his support and leadership in publicity the Conservative victory would have been impossible."—Lord Beaverbrook, on the Empire Free Trade, at Lord Rothermere's dinner to the staffs of the Northcliffe newspapers, January 4.

"Not a ton of anthracite is mined in Canada, but 3,250,000 tons are imported from the U.S.A. and only 600,000 tons from Great Britain. Put a tax of 50 cents upon the American anthracite and the difficulties of the Welsh anthracite can be abolished."—Lord Beaverbrook, on the Empire Free Trade, at Lord Rothermere's dinner to the staffs of the Northcliffe newspapers, January 4.

Current Political Economy.

Mr. Thomas, down from Sinai, has communicated the word of the Lord to the business men of Lancashire. His speech divides itself into two parts: what Mr. Thomas thinks about things in general, and what he proposes to do about his own special job, namely, the solution of the unemployment problem. Probably what he said about things in general will be as useful in the long run as his proposals. His chief concern about things in general is to dissociate himself as much as possible from the Labour Party, and to place the gulf of infinity between his own innocent patriotism and any suspicion of Socialism. Not only is unemployment a problem that transcends "mere party politics," but the

"unity, integrity, preservation, and development of the British Empire are not the prerogative of any particular party or class, but the accepted policy of all governments supported by whatsoever party."

Mr. Thomas is the last defender of the principle of patriotism, "my country, right or wrong." But, like his forerunners, he can see nothing in that but right. Criticism of the banks, he says, after having gone carefully into the situation, is not well founded; finally

"I should be doing less than justice if public tribute were not paid to the sagacity, single-minded effort, integrity, and wisdom, of the Governor of the Bank of England in steering this country through its present period."

This tribute not only renders possible the location of Sinai. It renders possible an understanding of Mr. Thomas's proposals for the salvation of the Empire when the Press in general is merely crying out for more light.

The positive proposals of Mr. Thomas are for the banking industry to approve schemes of re-organisation and rationalisation, and to finance these on their own terms, with the Government acting as messenger-boy and possibly as guarantor. Whatever may be the integrity of the Governor of the Bank of England, Parliament has no integrity left. The very phrasing of Mr. Thomas's tribute, to the effect that the Governor of the Bank of England is recognised as steering, not the Bank of England, but the country, is an acknowledgment that Parliament has abdicated; and that when it transferred the currency note issue to the Bank of England, it handed over also the crown and the keys of the Tower. The first Labour Government has sealed with approval the recognition of plutocracy in Great Britain, with the Governor of the Bank as its president. When the merchants took over Parliament from the squires they had to fight for it. The manufacturers had to give a display of power to gain their equivalent re-resentation. But when the credit-accountants decide to rule, nakedly and unshamed, in Parliament and in industry, Parliament hands itself over to them, through, appropriately, the Lord Privy Seal, by acknowledging that not the Cabinet but the Governor of the Bank of England, steers the country.

It is in this light that Mr. Thomas's proposals attain their proper significance. His job ostensibly is to relieve unemployment. The result of his proposals, as he must know, will be to increase unemployment. Even *The Observer*, which is not noted for perspicacity, can see this, and demands schemes for public works on the grand scale to absorb the hosts of unemployed which Mr. Thomas's scheme for the rationalisation of industry is certain to create. Mr. Thomas is obviously not the servant of the labouring classes from whom in theory he draws his mandate. As Shaw says in "Arms and the

Man," "to be a good servant, one must have the soul of servant," and as Mr. Thomas undoubtedly has, it may be taken for granted that he serves somebody. Not being skilful enough to hide it, Mr. Thomas's comments on credit, banking, and the Governor of the Bank of England, all show to what he renders service. His whole tone and policy indicate that he has been brought in to anticipate the findings of the financial enquiry committee. As he says, Mr. Thomas has made an enquiry for himself; and he finds the banking system without sin, and industry both a sinner and miserable. He intends, therefore, to save the financial system by handing industry over to it lock, stock, and barrel, leaving the unemployed to emigrate or what they will. Reviewing the party politics prior to the election, *THE NEW AGE* contended that Labour's only plea for itself was that it could perform the service of Government on behalf of the Governor of the Bank of England more efficiently than the tranquil party of Mr. Baldwin. The only difference, in short, between the politicians of the Baldwin school and those of the Labour Party is the difference between dullard fee-paying scholars and scholarship winners.

In connection with the rationalisation proposals attention has been drawn to Sir Josiah Stamp's distinction between genuine and counterfeit rationalisation. The genuine introduces cheaper methods of production; the counterfeit merely brings into existence rings, combines, cartels, etc., for controlling markets or sources of raw-material. From the point of view of the prosperity of the industry either is a genuine method of rationalisation if it succeeds; as it is from the point of view of the banks as regards the recovery of their credit. But the distinction is a true one up to a point. Better methods of production increase a community's real credit, whereas market-control rationalisation does not. But market-control increases the amount to be extracted from the purchasing-public without adding to the amount to be distributed; and reduction of production cost reduces the amount to be distributed without reducing correspondingly the amount to be extracted; and it actually disables a number of possible purchasers by dispensing with their services. In short, as long as the distributing system remains unreformed, whatever reforms of production are effected will not end the disorganisation of the community as a whole, but will certainly increase unemployment. If the unemployed were given their share of the increased production, unemployment might be a blessing; but the present use of the unemployed is merely to depress the remuneration of the employed. Mr. Thomas's rationalising production without rationalising distribution, is merely helping to perpetuate a system in which his people, the working people, are doomed to go on existing on the barest subsistence and in poverty. The outcome of his scheme is inevitably a prosperous and politically dominant banking system; an overworked, straining to please the bankers, industrial system; and a poverty-ridden, domestic-animal, working class.

BEN WILSON.

SPECIAL NOTICE.

Instead of the usual Annual Dinner of "The New Age" there will be a Special Dinner to welcome Major Douglas back from Japan. He is expected to arrive from Bombay early in February, and the Dinner will take place as soon afterwards as can be arranged. The organisers are trying to fix this for a Friday, as it is practically impossible, at short notice, to get a Saturday at this time of the year. More information will be given next week.

About Things.

The *Freethinker* takes occasion in its issue of January 5 to talk about itself. As will be seen from the extracts given below there need be only a change of two terms to make these passages a perfectly accurate account of the function and experience of *THE NEW AGE*. This is not surprising, for, whatever our readers' views may be about Christianity, there is no doubt of their common agreement that this journal is fighting superstition in the realm of finance. We are all "financial secularists."

"Journals of the class to which the *Freethinker* belongs are of the type that, in France, are called 'personal'—that is, they are controlled by someone with a personal following, and they stand for ideas, for a Cause that makes a strong personal appeal. They are not commercial ventures in any sense of the word. No one would be fool enough to start one with any idea of monetary gain; if he did, experience would soon teach him the folly of his venture. The editor is such by accident; he is an apostle by temperament, by conviction, and by choice. And an apostle gains followers whether they be few or many. The net result is the establishment of relations between the apostle-editor and his readers, such as can never subsist between an ordinary newspaper editor and its subscribers. The newspaper comes to its subscribers with all the detachment of a public notice stuck outside a local Town Hall. To the majority of its readers the *Freethinker* comes to them with all the anticipated pleasure of a weekly letter from a valued friend."

"No genuinely revolutionary paper has ever done its work for so lengthy a period with such limited resources, or in the face of so severe a boycott as is the case of the *Freethinker*. It has always lived from hand to mouth, and often enough the hand has been almost empty by the time it reached the mouth. Certainly no one not immediately concerned can have a proper conception of the vigilance and the power of the boycott. For years the leading wholesale agents refused to handle the paper at all. One by one these came in, the last one gave way during the war. The newspaper boycott is still maintained; the name of the paper is carefully excluded from mention, although there is no embargo placed on the stealing of ideas from its columns. A few years ago the *Times Literary Supplement* actually refused an advertisement of the *Freethinker*, and quite recently, in the case of the *Daily News*, several days were taken to decide on the acceptance of an advertisement. Newsagents are still threatened by clergymen and others with loss of custom if they display copies of the paper, and in other ways we are constantly reminded of the fact that Christianity is still what it was whenever it has the opportunity of making evident its real character. Such persistent hatred is very complimentary. The only satisfaction we can feel is that, from the Christian point of view, we have earned it."

There are also some striking parallels to be seen in the Secular Society's "Principles and Objects" which are regularly advertised in the *Freethinker*.

"Secularism teaches that conduct should be based on reason and knowledge. It knows nothing of divine guidance or interference; it excludes supernatural hopes and fears; it regards happiness as man's proper aim, and utility as his moral guide.

"Secularism affirms that Progress is only possible through Liberty, which is at once a right and a duty; and therefore seeks to remove every barrier to the fullest equal freedom of thought, action, and speech.

"Secularism declares that theology is condemned by reason as superstitious, and by experience as mischievous, and assails it as the historic enemy of Progress.

"Secularism accordingly seeks to dispel superstition; to spread education; to disestablish religion; to rationalise morality; to promote peace; to dignify labour; to extend material well-being; and to realise the self-government of the people."

The B.B.C.'s Epilogicians evidently thought that a reading from the eighth chapter of Paul's Epistle to the Romans was called for by the main political event of last week. After Mr. J. H. Thomas's repeated and emphasised declaration that he had failed

to find a remedy for unemployment it was evident that the public, dole-drawers and dole-payers alike, would need a bit of a heartener on the following Sunday night—something to take their minds off this insoluble problem. The Apostle Paul can always be relied upon to deal with such situations; so he was warned to be at the microphone on the appointed date. Apparently the leader-writers of the *Financial Times* (January 11) and the *Observer* were commissioned at the same time to outline in secular terms the moral which the Bible-reading should subsequently fulfil. At any rate the *Financial Times* last Saturday printed the assurance that the existence of 1,500,000 unemployed is not such a lamentable situation as it looks, that "official unemployment figures are taken at their face value too often"; that twelve months ago the figure was 100,000 more; and the writer concludes: "That is not the tale of a nation which is 'down and out.'" The *Observer's* article summoned the public to face facts with fortitude. They must make up their minds that "Reconstruction means labour-saving"—the inference being that they must prepare for an indefinite prolongation of unemployment. So while the *Financial Times* preached Hope and disparaged Despair, the *Observer* preached Courage and disparaged Hope. The wisdom of man being thus confused and incapable of solving the problem we must all leave it in Other Hands. Thus the way was cleared for the following Pauline injunctions which, among others, fell on the ears of listeners on Sunday night:

"For if ye live after the flesh ye shall die; but if through the Spirit ye do mortify the deeds of the body ye shall live."

"... if so be that we suffer with Him... we may also be glorified together."

"For I reckon that the sufferings of this present time are not worthy to be compared with the glory which shall be revealed in us."

"For we are saved by hope; but hope that is seen is not hope; for what a man seeth, why doth he yet hope for?"

"But if we hope for that we see not, then do we with patience wait for it."

A free paraphrase of these passages, as thus prostituted to their ignoble purpose, would run like this:

Material comfort and security are beyond the wit of man to attain; it is a good thing to mortify our desires for them; let us suffer to the end that we shall share in the re-establishment of the country's Credit; what, indeed, the re-establishment amount to, compared with the enthronement of the Pound Sterling? Let us hope patiently for what we cannot see, and trust the City to make all things work together for our good.

It is significant that the chapter from which the reading was made sets forth Paul's celebrated "pre-destination" doctrine, a doctrine which manifests the sharpest differentiation, in the opinion of many Christians, from the spirit of the Gospels. It is a doctrine of theological fatalism and is therefore parallel to the doctrine of economic fatalism.

Lord Rothermere invited Lord Beaverbrook to be guest of honour at the dinner last week to the editorial staffs of the Northcliffe newspapers. He there commended Lord Beaverbrook as a great journalist and a dynamic politician, and expressed the hope that he would "enter 10, Downing Street as the master within the next year or two." Lord Rothermere proceeded to welcome the Empire Free Trade scheme, saying "There is no difficulty in dovetailing his programme into mine." This alliance of powerful newspaper magnates has a significance which was at once noticed in America, and there has subsequently been some nery fluttering in business circles. There will be many opportunities for commenting on this development; it is only necessary to record it at present.

HERBERT RIVERS.

The Screen Play.

Juno and the Paycock.

I dislike the prophetic rôle, but after reading through an exhaustive list of the films which it has already been arranged to exhibit this year, I am willing to predict that "Juno and the Paycock" will occupy a place among the dozen most distinguished. Hitchcock, who has here discarded some of the mannerisms which threatened to become irritating, has made an extraordinarily sound job out of this screen version of O'Casey's play, which has been slightly altered by the author for the purpose of the screen, and the result is the most successful film adaptation of a stage success yet presented. Talking film technique is, however, from the artistic standpoint still so much in its infancy, that the best dialogue films have not yet crossed the frontier which separates the photo-play from the film proper, and "Juno and the Paycock" is no exception in this respect. It should, therefore, be judged rather as a photographic representation, aided by speech and sound, of a stage play.

Judged from this standpoint, it is unusually good, while the inherently hybrid nature of a production of the kind is to a marked extent offset by the more spacious effects, the life, movement, and atmosphere which the camera alone can achieve. In many respects, "Juno and the Paycock" is the most interesting thing of the kind yet done, and British International Pictures have to be congratulated on yet another success. The acting, by a mainly Irish cast, is admirable all round, and if I single out Sidney Morgan as "Joxer" Daly in the part created by him, it is because he possesses the very rare gift of making an impersonation in a talkie as living and convincing as on the boards of the theatre. Special commendation is also due to the photography of J. J. Cox. "Juno and the Paycock" has so far only been shown privately, but it is booked to succeed "Atlantic" at the Alhambra, where it will go into the bill at a date not decided on at the moment of writing.

Auld Lang Syne.

It seems a safe prediction that this film, which has just been generally released, will take high rank among the worst of the year. It is as bad as only a thoroughly bad English film can be, since even the worst American pictures have usually some redeeming feature. "Auld Lang Syne" has none. It is dreadfully acted, badly directed, and tells a stupid and sloppy story whose characters are as wooden as they are uninteresting. If I had not known it to be a recent production I should have said that it had been made during the dark days of long before the war. The star is Harry Lauder, of whom I have never been greatly enamoured as a variety artist, but whom I vastly prefer on the music-hall stage after seeing him for the first time on the screen.

Autumn Mists.

This film is a little masterpiece, and the Avenue Pavilion management is to be congratulated on presenting it. Although it has been shown to the Film Society, the general public have had no previous opportunity of seeing it in England. "Autumn Mists" is pure film, and is purely atmospheric, with a curious and curiously arresting rhythm, a sombre and desolate atmosphere in perfect keeping with the title, and revealing beauty in strange and unaccustomed ways, as in the reflection of light on the ruts of a muddy road. Dimitri Kirsanoff directed.

The Little Match Girl.

I would always go some distance to see any film in which Catherine Hessling appears, but in "The Little Match Girl" (Avenue Pavilion) she fails to repeat the quality of her performance in "En Rade" and "La P'tite Lili." The reason is partly

a matter of direction. The film is based on Hans Andersen's story, but Renoir has largely failed to catch the fairy-tale spirit, while he has also made the mistake of attempting to combine naturalism with pure fantasy. The result is really two films, since the flats do not join. Renoir also exhibits the characteristic French vices of repetitiveness and excessive length, and "The Little Match Girl" would be much improved by very drastic cutting. Miss Hessling over-acts, or is over-produced, and her impersonation is neither convincing nor evocative of sympathy, which may, however, be due to the nature of the film. The latter is being presented for the first time, and has not, I believe, yet been shown in France. Despite its defects, it is worth seeing as an example of contemporary French screen art.

DAVID OCKHAM.

Drama.

Illusion: Everyman.

"Illusion" is the title under which the Everyman Theatre Guild presents Mr. Ernest Boyd's English version of "L'Invitation au Voyage," by M. Jean-Jacques Bernard. Titles are notoriously impossible to translate as anybody may discover by comparing the English titles of Balzac's novels with the French or by experiment at random. But the title, "Illusion," is not a good way out of the difficulty, since it anticipates the play by announcing what the author intends the audience to perceive without being informed. M. Bernard described drama as the art of the unexpressed. The title "Illusion" belongs to the art of the expressed. It reduces a play in which as many meanings and interpretations as in life itself float about to be grasped at, but not held, to a piece of one conscious theme; it treats a successful attempt to bring the audience into the soul of a particular character into an occasion for objective diagnosis of the character's abnormality.

Marie Louise is the daughter of a successful nail manufacturer in the Vosges Mountains, well married to an energetic chronometer of a man whose organizing power and industry continually extends the business. Her younger, and as yet unmarried sister, Jacqueline, enjoys healthily the society of the stream of business-men callers and visitors, the private tennis court, grounds, and pine-forests, and all the accompanying amenities of wealth and prosperity. Marie Louise herself is a discontented romantic, living within herself and resenting the energy and objectivity of others. Music, solitude, books, and a hunger for romance that she will not confess, cause her to protest against being part of her father's shop-window and of his entertainment for visitors. Round one of these, however, she builds her romance. He also is a nail merchant's son, revisiting for a time with each of his father's clients to learn his job thoroughly, and he is about to leave for the Argentine. Always she speaks of him with contempt, only occasionally letting something fall in word or gesture that tells the audience, and in the end her husband and sister, the state of her mind. While the figure of her romantic fantasy is away in the Argentine she suddenly takes an interest in her child, of whose very age she is ignorant, to teach him the geography of South America, thus obtaining the sort of relief which persons with secret troubles so often find by unburdening themselves to strangers. Over two years after his departure for the Argentine, when Marie Louise is retreating more and more into herself, Philippe comes back. She must see him, to which end she conspires with her sister. Next morning she turns to inform her agitated husband that Philippe talked about nothing but nails and buyers, markets

and prospects; and she prepares to settle down to the life she has about her.

M. Bernard's first scene is not so much a display of his own intimate theatre method as a compromise with the method of Ibsen to get out of a difficulty. The nail manufacturer shows a visitor round to a monologue of information addressed to the audience. The visitor's part is so poor that one wishes it were not in the play at all. It is to ask questions which enable the monologue to continue, or to impart information of a corresponding character about his own affairs which slightly disguises the monologue. Throughout the play after the first scene the impression is unescapable that M. Bernard has not avoided the trap of being so eager to illuminate one unmanifest soul as to reduce all the others to foils. To say that he is caught in this trap would be untrue, but he leaves some of his clothing in it. Both "L'Ame en Peine" and "Le Printemps des Autres" (the latter was also produced at the Everyman Theatre, as "The Years Between") had themes of greater originality and significance than "L'Invitation au Voyage" which therefore attracts more critical attention to the method. This method is, nevertheless, an undeniable contribution to the intimate theatre. What O'Neill in "Strange Interlude" attempted with nails and glue M. Bernard does with dovetails. It is not, as I have said before, "a theory of silence" that M. Bernard uses. Silence is only one of his devices, which he employs for a purpose it serves in life itself, namely, to betray uncertainty, or secretiveness, or to arouse the audience's suspicion. A character unexpectedly changing the subject, or suddenly betraying the associations which his mind attaches to some remark from another character, for example, by picking up some object previously charged with meaning, communicates to the audience the unexpressed dialogue, contradictions, and emotions, within the character without recourse to soliloquy, cross-talk, or other unnatural, theatrical devices. The difference between what the observer can learn from life and what he learns from M. Bernard's characters is that the former is at the best finally guesswork, whereas of M. Bernard's characters it is a knowledge amounting to certainty. The method is, accordingly, in a sense more naturalistic than any previous method; but as everything is revealed in mind and dramatic order, it is equally quite non-naturalistic and theatrical. What is therefore of the greatest importance is how much the method of M. Bernard is to influence other dramatists in the pursuit of the modern psychological theatre for revealing the background of each separate, individual mind. There is something in common, for example, between M. Bernard's methods and those of Mr. van Druten in "Young Woodley." M. Bernard is not a psycho-analytic dramatist in anything like the sense in which Lenormand is; but he does undoubtedly reveal the unconscious of his characters, and without rendering them conscious for theatrical ends only.

The single stage-setting—whose work it was does not appear to be announced—was simple and excellently suitable for the play in colour and lighting. As Marie Louise Miss Josephine Wilson, with previous experience of M. Bernard's work, gave a very thoughtful performance, marred just a little at times by a lack of faith that the lines would do the work, and a consequent labouring of gesture and feature. Miss Gabrielle Casartelli as the sister who enjoyed life, having just finished playing the introvert peasant-girl, Martine, appeared glad of the change, and gave a bright, excellent performance, as did Mr. W. V. Garrod in the part of the nail manufacturer, and Harold Reece as the child. Mr. Douglas Burbidge's performance as Olivier, Marie Louise's husband, failed to take hold of me. Mr. Burbidge showed only the outside of the character. The last

two words of the play seemed to me better left out, together with the movement of Olivier to a position behind the music-stool. The "Thank-you" is anticlimax and the position sentimental.

PAUL BANKS.

Verse.

By Andrew Bonella.

In undertaking the translation of "Catullus" (1) Mr. Jack Lindsay has put himself in the position of a good actor not quite happily cast. He gives an admirable performance within the limits of his personality, but it is clear that the performer is not in perfect harmony with his original. Mr. Lindsay has a distinct lyrical gift; but besides that he has a theory, which may very likely hamper his creative work. The group which published "The London Aphrodite," and with which he is connected, are very conscious of the world's decadence and their own virility. Both their original work and their translations and reprints are intended, I take it, as correctives to the modern tendency towards anæmia. Their mission claims our sympathy, but their work includes unpleasant elements. They are all tarred with the esoteric brush, while some of them—see my article of January 24, 1929—are prone to lavatory-writing. It is but a step, we find, from conscious virility to exhibitionism.

Mr. Lindsay himself is free from the grosser faults of his group; his occasional bawdiness is in the right English tradition; it is, in its degree, the spontaneous bawdiness of Falstaff, not the smut of Villiers Street paraded as the literature of virility. But his critical writings are noticeable for an air of protest, which turns at times into a rather crude didacticism; and it is this element that may one day strangle his muse. In the meantime his verse is good, but a shade too hearty for Catullus. The translator is apt to give the poet an air of casual wrenching which hardly suits the first great exponent of the single love affair; and which sometimes shatters the passionate tenderness of his lyrics.

This is to judge Mr. Lindsay's work by the highest standards. There is no doubt that, as a whole, this is unusually good for a complete English version of a Latin poet. These, for instance, are good lines:

... take a little message, not a pleasant message, to my girl.
Tell her to be merry with her lovers—
her heart untouched, hundreds within her bed
she crushes on her mouth, again and again
draining them dead—
And tell her not to think that any more
my love, dropt by her fault, can blossom now.
It is a meadowflower at the edge, just snapt
by the passing plough.

But here the last line is too colloquial:

... is it you
who dare in rivalry engage
with Lesbia for homage due?
O what a tasteless vulgar age!

The words "what a" are too light for a line of which the original reads:

O saeculum insapiens at infacetum!

I suggest, for want of better, "O tasteless injudicious age!" The famous "Vitam, mea Lesbia, atque amemus," loses most of its rapture in Mr. Lindsay's hands; but the magnificent Epithalamium for Manlius comes through marvellously well. I

(1) "The Complete Poetry of Catullus." Translated by Jack Lindsay. (Fanfrolico Press. Limited edition. £6 6s. net.)

must at least give myself the pleasure of quoting two stanzas in both Latin and English:

Talis in vario solet
Divitis domini hortulo
Stare flos hyacinthus.
Sed moraris, abit dies
Prodeas nova nupta.
Prodeas nova nupta, si
Iam videtur, et audias
Nostra verba. Viden? facēs
Aureas quatiunt comas:
Prodeas nova nupta.

Thus, in a garden-close might sway
a hyacinth in lonely pride—
but you delay,
there is so little left of day,
come forth, you laggard bride.
Come forth, if so you will, O bride!
and hear the words we have to say.
See how the torches make
gold tresses where they shake.
Come forth, O bride, at last!

On the other hand his version of the equally beautiful hymn to Diana does not sing itself as it should. This is the first stanza:

Dianae sumus in fide
Puellae et pueri integri:
Dianam pueri integri
Puellaeque canamus.

Mr. Lindsay has it:

We are virgins yet,
boys and girls in a ring,
Diana is our lady. Boys and girls
to Diana we sing.

Without setting myself up as a translator I suggest that the following version, jingle though it is, proves that something of the lilt might have been caught by an abler pen than mine while keeping even closer to the original:

In Diana's fealty
Virgin boys and girls are we;
Girls and boys, in chastity
Singing to Diana.

Catullus' elegy to his brother, "frater ave atque vale," translated by impious schoolboys as "alas my poor brother," comes off here with dignity; but I have quoted enough.

Not knowing the Mimes of Herondas in the original I can only guess at the merits of this translation (2) as one guesses at the likeness in a portrait of some unknown. I should say that it is excellent, and that Mr. Lindsay's swift, virile manner is well suited to matter reminiscent of Aristophanes.

Both these books are beautifully printed and bound by the Fanfrolico Press; but my more expert friends confirm my own uninformed opinion that both Mr. Lionel Ellis's wood engravings in the first and Mr. Alan Odle's decorations of the second just miss being good enough for these fine productions. Mr. Lindsay contributes a long and erudite essay on Catullus, while Mr. Brian Penton introduces Herondas in ultra-fanfrolico vein. I am not a Christian myself; but as a disinterested admirer of his love of man "a sentiment sticky with the degraded sweat of oriental humanity." This is not the Christ of the gospels; Mr. Penton has forgotten the Christ who came to bring not peace, but a sword, who cursed the barren fig tree and drove the moneychangers out of the temple with a scourge, who spoke the parable of the unjust steward, and who said "to him that hath shall be given."

It is hardly fair to Sir Leo Chiozza Money to discuss his verses (3) on the same page as those of Catullus. I need only say that they are of a far higher standard than most of the stuff I review in this column. They are very readable, but perhaps a shade too facile to be really good.

(2) "The Mimiambes of Herondas." Translated by Jack Lindsay. (Fanfrolico Press. Limited edition. £3 3s. net.)

(3) "The Immortal Purpose." By Sir Leo Chiozza Money. (Cobden-Sanderson. 1s.)

"The Economics of 'Economy.'"

"Economy means that the Government will spend less money. Expenditure therefore will be reduced on such public works of development as roads, railways, rivers, postal works, hospitals, and schools, etc.

"That means that the Government will employ fewer men, and men will be discharged.

"That means that these men, as consumers, will have less money to spend on goods; they and their families will have to buy less goods of the grocer, the baker, the draper, and other tradesmen.

"That means that sales in the shops will fall off.

"That means that the shopkeepers will have to cut down their orders to the wholesalers and manufacturers; because retailers do not buy goods if they cannot sell them.

"That means that stocks will accumulate in the warehouses and factories, and that manufacturers and producers will be forced to put off workers; because if fewer goods are sold and consumed, fewer men will be needed to make goods.

"That means still greater unemployment, and a still further reduced money demand for goods.

"Economy, then, means less trade, less wages and salaries paid: less profit for industry and smaller dividends for investors: and therefore lower taxable incomes all round.

"That means less revenue for the Government and a greater deficit 'next' year. Then more 'economy' to meet that deficit, and so on.

"Economy means the building of fewer houses, fewer hospitals, fewer schools, when the community wants more of these buildings, and idle bricklayers, timber-workers, and carpenters want work in building hospitals, houses, and schools.

"Economy means the buying of less goods when every shop, warehouse, factory, and farm is striving to sell more goods.

"Economy results in cutting down one's income; all incomes are derived from industry, directly or indirectly, and if industry slows down for want of orders, then the wages, salaries and dividends paid by industry must be reduced.

"Economy implies a scarcity. But what is scarce? Labour? There are 250,000 unemployed in Australia. Materials? There is an abundance everywhere. Factories, fields, or workshops? There is ample to increase production two-fold at least. Then what is scarce? Money! Yes! Money! The artificial, costless, creation, called Money—the bankers' 'commodity.'

"Economy means economising in Money—tickets—paper and ink.

"Economy spells Business, Trade, Industrial, Commercial and Communal Suicide!"—Freedom. Beechworth, Australia. ("Advocate of the Douglas Social Credit Proposals.")

"A Weak Spot in the Antichrist's Armour."

Reprinted from *The China Fundamentalist*, Shanghai.

In their issue of July, 1929, "Our Hope" give timely cautions against some of the over-hasty conclusions as to who is Antichrist. Some of the names proposed are more likely lieutenants rather than the chief. And, by the way, a broader term might be used in these days, for the enemy are fighting not only Christ, but God, and all gods. (George Seldes, published by Payson and Clarke, Ltd., New York) remarkable exposé, "You Can't Print That," (George Seldes, published by Payson and Clarke, Ltd., New York) notes that the Bolsheviks delighted to whet their barbs for the ancient Hebrew rabbi. This Anti-God is the common enemy of loyal Jews and loyal Christians, and our hearts long to see these two classes of worshippers come to one mind against the common enemy.

Three suggestions as to the identity of the Antichrist, more credible than either of those heretofore discussed in the religious press, have come to our attention. We are praying that the Holy Spirit will guide us to a correct opinion. Who ever he may be, the indications point to some silent dominating figure in International finance, the leader of the organisation which plans these wars and revolutions, and which is attempting to break the morale of godly peoples by undermining faith and propagating sexual corruption.

Whether he be the "Man of Sin," or another Antiochus, in either case, there may be factors coming forward, under the Lord's guidance, preparatory to his overthrow. A most hopeful sign is the tendency to throw searchlights on world finance. The writings of Capt. A. E. N. Howard and "Cynor" in the "North China Daily News" of October, 1928, gave a glimpse of the situation, and of how men will

rise up and overthrow this system, when once they understand it.

And while not yet prepared to accept the Douglas system, we are studying it with interest. Maj. C. H. Douglas understands the world financial situation, which is very like what Mauro brought out as the black horse of the Revelation ("Patmos Visions"), and says that unless averted "the world will be faced with a tyranny beside which the crude efforts of the Spanish Inquisition will retire into insignificance." But Douglas does not believe it unavoidable. He sees roscate dreams of a better economic system, nor would we be unduly pessimistic.

Certainly much is accomplished if we can with Douglas comprehend that the present system of finance is Lord of the human race, with ambitions yet higher for a superbank.

A leaflet "The Key to World Politics" (see below) says: "The 'central bank' of every nation, while dominating that nation's policy, is itself an agent administering the policy of an international banking trust, of which it is a member. Thus the ultimate control of every nation's policy is outside that nation. This control is to be exercised IN APPEARANCE, by the COUNCIL of the League of Nations—a sort of CABINET of Europe. The ASSEMBLY of the League may be called the EUROPEAN PARLIAMENT. The League's INTERNATIONAL COMMISSIONS of various sorts are like so many PARLIAMENTARY COMMITTEES. Notice that, unlike national parliaments, not even the Assembly, much less the Council, of the League is popularly elected. Both are secretly nominated. Finance controls the nominations. Thus, the control of policy is not, even in form, granted to the millions of people whose destinies are involved in the system."

And we should recognise that money, not gold and silver, which may yet prove to be dispensable pawns, but purchasing power, whether as bank-notes, bonds, stocks, or what-not, is "created" out of nothing, and "in five minutes," if the right men have spoken the word. This money goes not to the poor man who needs it most.

In calling attention to high finance, we know that psychic suggestion will at once raise to the mind of our readers certain names. But the men to be feared are the ones whose names never appear in the papers.

Douglas blames, not the financiers, but the system, and he is equally severe on Communism and Capitalism. A prominent feature of his views is that this created money goes to produce huge overstocks, which cannot be absorbed because the consumers are placed at an economical disadvantage.

The system of Social Credit, which Douglas proposes, we feel hardly competent to present. At least we hope he is right in the belief that the men who have hoarded up the gold of the world, and have gotten many nations on the gold standard, and thus under their control, may yet find this gold turn to "apples of Sodom" in their hands, and their grip on world finance may become nerveless. Wm. J. Bryan's judgment, which has proved correct in so many cases, may not have been so far wrong in 1896. Already, Douglas says, one bank has been established whose collateral is not gold reserves, but the service of the railroads.

God uses means, and maybe he would use us.

LITERATURE.

"The Key to World Politics," at id., with specially low prices for quantities. May be secured from The Credit Research Library, 70 High Holborn, London, W.C.1.

LETTERS TO THE EDITOR.

COMEDIANS QUIZZ THE BANKERS.

Sir,—The exigencies of the festive season recently drove me to attend a variety entertainment at a suburban Hippodrome. Included in this was a scene in which a "schoolboy" damages the straw hat of an adult friend. The adult demands a pound in payment; and the culprit promises to pay this as soon as a second schoolboy has met an outstanding debt of the same amount. It now transpires that the adult also owes this sum to the second schoolboy. There is thus a circular debt of a pound, and as the simple idea of cancelling the indebtedness does not suggest itself, a deadlock arises, and the actors are faced with a financial crisis.

The original culprit now requests a loan of £1 from the leader of the orchestra, who has only 10s., which he agrees to lend. The borrower hands it to the adult, who hands it to the other schoolboy, who hands it to the culprit. Half the indebtedness is thus cancelled. The three parties repeat the process and the whole debt is wiped out. In borrowing the ten shillings, the culprit made the time-honoured joke: "And you can owe me the rest," when he couldn't get the whole amount he asked for. On completion of the transaction, he points out that this "debt" is cleared

by the ten shillings now in his possession; and he leaves the leader of the orchestra guessing.

It would be rash to suggest that this "turn" was intended as Social Credit propaganda. But I suggest that it is a straw in the wind. We are getting on! I. O. EVANS.

ECCE ITERUM THE MUSICAL COPYRIGHT BILL.

Sir,—I am afraid that "Quits" and myself speak different languages, and are arguing about different things. He is concerned with the supposed wrongs of village institutes and such. I am concerned with the composer's real wrongs. No one is compelled to perform copyright music, performing right of which is reserved. The plea with which so much play has been made that people do not know what is copyright and what not is idle and impudent. A postcard to the publisher or the Performing Right Society will settle the question, also the fee, if any, payable, in the cases where it is not indicated on the music itself, if performing right is reserved or not. Nothing that "Quits" says substantiates the accusation of exorbitant charges, for he carefully refrains from giving even one specific instance of an actual charge made for a performance. But it is probable that "Quits" may put a different interpretation upon "exorbitant" in this connection from what I or other composers should. The custom of the Performing Right Society is to grant licences for an inclusive fee to an organisation or proprietor of a hall or building where music is habitually performed, which covers all the copyright music played there. Nothing that I can discover convinces me otherwise than that the "composition fees" thus charged are much too small. The instance I quoted of the £150 fee a year to a hotel orchestra for the rights of the whole European repertoire—on the authority of Mr. William Boosey himself, who at the time was chairman of the P.R.S.—I have every reason to believe is typical. That one single performance should be paid for at a higher rate than the dozens or hundreds of a restaurant or hotel orchestra is natural enough; but "Quits" does not see that his relative instance is a case, not for reducing the village institute fee, but for greatly increasing the hotel fee. Further, "Quits," and others like him, naturally do not see nor "care that the present Bill, if passed, will be, after the Copyright Act of 1911, the second long stride towards completely depriving the composer of any control over his work whatsoever.

Attempted pretences to see in this Bill merely a measure to "protect" supposed victims of Performing Right extortion, more especially seeing that it is endorsed by people like the International Council of Music Users (as to the interests embodied in which Mr. Frederick Austin gave us some instructive information in *The Times* of December 4 last), strike me as singularly revolting cant. The actual purpose of the Bill, like most legislation, is to rob the weaker in favour of the stronger. That the Bill is so unblushing and shameless in its terms may be explained by the fact that its intended victims are, as a class, the least able to defend themselves.

Here is a case for which the iniquitous gramophone clauses of the 1911 Act are responsible. A young composer—poor (quite in the tradition!), has a composition recorded for a big gramophone company by a big pianist. The records of the said pianist have a sale large enough to make it profitable for the gramophone company to pay him a three-figure fee for recording, plus royalties on all records sold. The composer gets a one-figure cheque, his legally stipulated "rights." This pretty spectacle, which will, no doubt, appeal to "Quits" and all similarly constituted "fair-minded people," and which will be extended to universality if the present Bill becomes law, makes it difficult to discuss the matter with patience with those who think there is any other side than the composer's worth talking about. As for me, I neither understand nor can I pretend to wish to understand the type of mind that can seriously urge petty grievances of village performers against the rights of composers in their own work. KAIKHOSRU SCRABJI.

Members of the Federal Labour Government were soon reminded of the fact that they are not masters of the situation in Australia. It was reported in the Press that the Parliamentary party had considered taking steps to have the overdraft rate of the Commonwealth Bank reduced, evidently hoping thereby to stimulate industry. Immediately Sir Robert Gibson, Chairman of the Bank, made a statement advising the Government that the Bank was beyond political control, and made it clear that bank policy and overdraft rates were matters in which the management of the Bank would "countenance no interference on the part of the new Government."—Freedom. Beechworth, Australia. ("Advocate of the Douglas Social Credit Proposals.")

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The Social Credit Movement.

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

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

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