THE

NEW AGE

INCORPORATING "CREDIT POWER."

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NOTES OF THE WEEK.

It will be remembered that Lord Hewart, in his book, *The New Despotism*, instanced the "crime" of "excessive prescription" as one of the products of administrative lawlessness. He said that it was a crime totally unknown to the law. On Wednesday, February 19, the *Daily Express* reported what one might call a conviction under this lawless administrative rule. It appears that four doctors, co-partners in a practice in the East End of London, issued prescriptions during a certain period of 1928 which involved the expenditure of £99 more than the panel committee subsequently considered "reasonably necessary." When this decision was arrived at, a fine would have been the consequence. But the doctors appealed; and, according to the *Daily Express*, the Ministry of Health itself was "dissatisfied," with the result that the case was referred to a court of referees. In due course the report of this court was presented to the London Insurance Committee. The report stated that the average number of patients on the doctors' panel was 9,422, and of that total 3,196 were treated in the course of a quarter. Prescriptions to the number of 22,326 were given. An extraordinary number of multiple prescriptions were given at certain times to individual patients. Sometimes there were four or five separate prescriptions on one patient's prescription-order. The gravity of this procedure arose from the fact that each of these prescriptions *carried its own dispensing fee to the chemist*. The loss to the drug fund during the quarter reviewed could not be less than £150. Other points in the referees' report, according to the *Daily Express*, were:—

"The practitioners explained this high figure by the *poor state of nutriment* of a number of their patients.

"The referees recognised that the practitioners had organised a *highly efficient treatment centre in a poverty-stricken neighbourhood*, where the conditions of life were very unfavourable.

"Nevertheless, they had regretfully come to the conclusion that the evidence showed a considerable expenditure on drugs and medicines beyond what was *reasonably necessary*.

"*The high ideals with which the members of the firm are possessed are quite admirable, but it is quite impossible to countenance such idealism at the expense of a limited public fund earmarked for a specific purpose only.*" (Our italics.)

The London Insurance Committee, on the basis of the referees' finding, recommended the Ministry of Health to impose a fine of £100 on the four doctors. Subsequently the doctors lodged an appeal with the Ministry on the ground that the punishment was excessive. This is as far as the story had proceeded at the time when the *Daily Express* published the above particulars. It was headed in heavy type: "*Doctors Guilty of Idealism.*"

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Mr. Arthur Greenwood is the Minister for Health, and it is he who has to come to a decision. It is a ticklish business for him. In spite of the greater gentility of the Labour movement in general there still persists a popular notion that it is a duty of a Labour Minister to consider the interests of the labouring classes—not to speak of the wider superstition that a Labour Government is a poor-people's Government. Again, a great number of kindly middle and upper class voters have given disinterested support to the Labour Party on no other ground than that it represents and is inspired by a finer idealism than either of the other two. So when Mr. Greenwood is required to penalise four doctors for doing something attested even by officials as idealistic, he needs to do a bit of thinking before he assents. He might begin with a little arithmetic. If he divides 22,326 prescriptions into £150, he will find that their "excessiveness" works out at the sum of 1½d. on each. Or if he takes the yearly total of this idealistic margin of expenditure, namely, £600, and multiplies it by 16,000 he will find that the product is just short of the Prudential Assurance Company's realised surplus of £9,742,691 for the year 1929. Of this surplus the Company is retaining nearly £8,000,000 as follows: Reserves, about £2,000,000, and Bonus Allocations, about £6,000,000. It is distributing as dividend only the odd £1,742,691. Its premium revenue for 1929 was nearly £30,000,000. Its assets

stand at nearly £230,000,000. These assets include "cash" to the amount of £1,140,000. This cash includes £180,000 "on deposit in the United Kingdom." The interest at, say, only two per cent. merely on this infinitesimal fraction of the assets would produce £3,600 per annum, which is exactly six times the rate of the excess expenditure incurred in the East End by the idealism of the four unknown doctors. By quoting these figures we must not be interpreted as suggesting what ought to be done about the case; we give them to enable the public to see the doctors' crime in something like its right perspective. It is very much the same as picking up a pin in Park Lane. We are entitled to suggest this much, namely, that when the court of referees can seriously suggest that £600 a year constitutes a serious strain on "a limited public fund earmarked for a specific purpose" it is about time that the Government paid attention to the nature, structure and disposition of what are virtually unlimited private funds.

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The *Daily Express* published on February 24 the opinions of one of the doctors in question on this matter. Among his remarks is the following:—

> "It should be explained that our 'idealism' in part takes the practical form of prescribing such things for our patients as we think will benefit them."

He proceeds to give an example of what the referees condemned as the "multiple prescriptions given at one time to one patient."

> "A patient consulting us on account of cellulitis of the leg would be ordered not merely lint, *or* wool, *or* oiled silk *or* a bandage, but *all these things at once*, so that he might prepare and apply the appropriate fomentation. Yet this would be an example of 'a script containing four prescriptions, each carrying a dispensing fee to the chemist.' If this unfortunate man were thought also to need a couple of pills or a bottle of medicine, the enormity and the 'multiplicity' would be even greater." (Our italics.)

Again, on the subject of cod-liver oil, which these doctors have been prescribing in more than average amount, the referees do concede in their report that the "right" of the insurance-practitioner to prescribe it even in large quantities must be "strictly guarded," because by reason of its "vitamin content"-this oil acts as an "anti-infective agent"; yet on another page they say:

> "We are of opinion that the wholesale administration of cod-liver oil in panel practice can only be held to be necessary if it is regarded *as an experiment.*" (Our italics.)

What else does this passage mean but this: That if you are sure that the treatment will be effective you must stint it; but if you are uncertain you may use it lavishly? The less medical knowledge you possess the more extravagant you can be without incurring a penalty. Under this ruling a "practitioner" who had no knowledge at all, and to whom therefore every case would be the subject of "experiment," might order, say, a cart-load of cod-liver oil for an in-growing toe-nail. It *might* work: who knows?

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The anonymous doctor whom we have been quoting properly remarks that if the public, who pay the money, and the doctors who accept responsibility, for the adequate treatment of the working men and women in this country, "have one ha'p'orth of kick in them" they will insist on securing for the insured person "the sort of medical treatment which has hitherto been available only to his social betters." But the public are not organised to kick effectively, whereas the doctors are. The latter have two alternative methods: one is to refuse to treat patients at all, and the other is to continue treating them adequately. The second is, of course, the proper one. If a sufficient number of them would agree to adopt a concerted policy of ignoring all financial limitations that impede the efficiency of their service, the first step would have been taken towards stopping this scandal.

* * *

Speaking at the Seacombe Forum on March 2 Professor Miles Walker, of Manchester University, propounded a scheme dealing with unemployment. Briefly, he proposes (a) *to set the unemployed at work making goods for each other;* and (b) *to finance their mutual dealings with a special form of cheque instead of cash.* Why, he asked, should not cotton operatives re-enter the closed mills and make cotton goods for the million and a half unemployed, receiving in return houses, food, furniture and fuel from the rest of the unemployed? Under his scheme both wages and doles would be paid in the special cheques referred to, these cheques becoming a claim on the additional wealth that would be appearing. The new wealth would be distributed through stores authorised to supply it to people against the tender of the special cheques. We need not discuss the practical difficulties in the way of applying this idea. Its importance lies in the fact that if Professor Walker is able to arouse strong support for it, controversies will be started which will lend topicality to Social Credit principles. He told his audience that he had forwarded his scheme to Mr. J. H. Thomas, and said that if they resolved to support the idea "it would be very useful in getting the scheme out of a pigeon-hole if it had been placed there." Any reader who would like to follow this matter up will find the report from which we quote in the *Liverpool Post* of March 3.

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Mr. Baldwin unveiled a statue of Mrs. Pankhurst in Victoria Tower Gardens, Westminster, last Thursday. Mrs. Drummond, one of the most prominent organisers of the Suffragette movement, presided. Smiling over reminiscences of the daring deeds of her "soldiers" she told an *Evening Standard* interviewer:—

> "We set fire to churches, houses, pillar-boxes, and so on to *force the insurance companies to influence the Government* to give us the vote. There was a good deal of method in our madness." (Our italics.)

It seems curious that the last Prime Minister of Britain should be associated with a public official retrospective endorsement of civil disobedience in this country just at the time when Mr. Gandhi is mobilising his followers to carry out the same policy in India. Presumably the authorities are less concerned about what the Swarajists can do than they were about what the Suffragettes did. And certainly they neither were nor are at all concerned about the objectives of either movement. The granting of votes to women has been exactly like the issue to them of a special series of tickets in a bogus sweepstake. Miss Christabel Pankhurst, the smartest of the family, found this out years ago, and now rests what hopes she has of any prize on something above human control—the Second Advent. Miss Adela Pankhurst married Tom Walsh, and is now an expert agriculturist in Australia. She has a little daughter, Silvia, who, by the time she is of age, will find her vote worth the struggles of her grandma, mother, and aunties. But at the present time nobody's vote is worth a cat-call.

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The forging of voting power is a much more appalling crime than its restriction; and it is an ironic circumstance that the Suffragette movement ceased its activities at the very moment when they should have been redoubled. Mrs. Drummond talks of the women's sacrifices in the old days, and nobody will grudge them the credit of having made them. But at the same time we clearly recall one strong sentiment we had in those days when these women were burning houses, churches, and letter boxes and getting themselves locked up (1,800 of them, Mrs. Drummond states)—and that was: How lucky they are to be able to do it. To men, at that time, the price of such intrepidity would have been economic ruin involving their wives and children, irrespective of imprisonment and, in all probability, actual bloodshed. That very "dependency upon men" which the Suffragette propagandists made a supporting argument for the vote afforded the women a liberty of action which was denied to men. Conversely, to-day, now that the women have won free and have flocked into industry, they have lost that liberty of action.

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Leaving out of account the question of how far women have displaced men in industrial service, there is no mistaking the general consequence that the incomes of men have gradually been scaled down (relatively to prices) in the same measure as industry has taken over the function of looking after their "dependants." Men as a whole to-day have no margin of income available to support adult daughters who are not out earning incomes; whereas once upon a time a margin of a sort could be found. Not only this, but conditions are developing towards a situation when single men will not be able to support a wife who is not out earning a contribution to housekeeping expenses. Already there have been suggestions that basic wage-rates as between married and single men should be differentiated—which certainly does not portend giving the married man more, but the single man less. True, the single man will get a rise when he marries, but since he will not have been able to save for a home he will have to pledge the rise for furniture under the instalment system. No doubt that is one of the reasons why the Bank of England considers this trade a promising security for its loans.

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The upshot of the matter is that women will find their economic security totally bound up with industrial employment. And since any woman caught burning letter-boxes to bring pressure on insurance companies for any reason at all will get the sack as well as imprisonment, one may reasonably summarise the new attitude of the sex in general in the topical formula of the moment: *Good-Bye To All That.* It is a pity, is it not? Or is it? The answer will depend on one's temperament. The strict and sober constitutionalist will approve the change. But as things are trending we should say that the stock of unconstitutionalism is beginning to rise. We may be wrong, but we fancy that the revival in our pages during recent months of attacks on the passivity of the Social Credit Movement is one symptom of this rise. We have a suspicion that when these critics call for *action* they are picturing—if only subconsciously—a much more drastic course of procedure than the mere organisation of persuasive propagandism. If so, we are in sympathy with their vision. Moreover we happen to know certain members of the Social Credit Movement whose reason for not joining the Economic Party is that its policy seems to be the organising of *tongues* when it ought to be *boots*. To them it is not of fundamental importance to decide whether members of the Social Credit Movement ought individually to continue to sing solos to the bankers, or ought to hold hands and sing choruses. What *is* fundamental, and would therefore be really worth while arguing about, is, in their view, the question of whether a new policy of coercion should supersede the existing policy of persuasion—whether the serenaders should make way for the sheiks.

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In a paragraph headed "Parliament and the Banks," the *Economist* of February 22 makes the following remark in the course of a commentary on Sir John Ferguson's motion for a standing committee of bankers and business men to advise the Government (discussed in THE NEW AGE last week):

> "On the other hand, the proper relation between banking and industry is far too wide a question to be discussed adequately on a private member's motion, and must engage the attention, not only of the Banking Committee *but also of the Advisory Economic Council, which must consider the position from the industrial standpoint.*" (Our italics.)

In the same paragraph an allusion is made to the fact that the Snowden Committee is "taking the bankers' evidence in private."

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The picture begins to take shape. First we were told that the Snowden Committee was to inquire into the relationship between finance and trade, and report to the Government. Now it would appear (1) that the Committee is cutting out the "relationship," and the "trade," and specialising in "finance"; and (2) that its report will, in fact, be presented to the Advisory Economic Council. Again, the scope of the Committee's investigations is not only restricted to the purely financial section of the economic problem, but is further restricted to the examination of merely the administrative side of that financial section. The Committee, far from examining the whole economic problem, is examining one half of one half of it. Lastly, it is keeping secret one half of the evidence tendered in respect of this one half of one half. The only clue which the public has as to the nature of the evidence was indicated by the *Statist* of February 15 (see our Notes of last week) which derived it from an analysis and comparison of the annual public speeches of the chairmen of the Big Five Banks.

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As a preface to our interpretation of the political implications of this trick, let us consider the nature of the economic issue involved. Readers of THE NEW AGE will be only too familiar with the fact of Major Douglas's insistence upon the vital necessity for the economic problem to be tackled at both ends simultaneously. From his standpoint the relation between finance and trade is fundamentally the relation between a financing-policy at the production-end of industry and a pricing-policy at the consumption-end. To him, what is called the "public control of credit" is of value only insofar as such control is used to institute a new financing-policy; and the new financing-policy is of value only if it is conjoined with a new pricing-policy. The Master-Bankers' System, so to call it, is a compound one whose two elements let us designate "M" and "B." The Social Credit alternative system is also a compound one whose two elements are, say, "S" and "C." The first element in each system, namely, "M" or "S," represents the alternative conditions on which the banks could do business with industrial capitalism. The second element in each system, namely "B" or "C," represents the alternative conditions on which industrial capitalism could do business with its customers, the general body of private consumers. Now each pair of elements is inseparable—which is to say that the financing-policy and the pricing-policy are in each case two integral halves of a single credit-policy. So the country has the choice between the existing "MB" policy and the proposed "SC" policy. There is no third alternative worth a moment's attention. Going after, or acquiescing in, say, an "MC" policy or an "SB" policy is simply going up a blind alley, with the result that sooner or later you are back on the old road again.

* * *

We are now in a position to review the strategy of the bankers in the matter of the Snowden Committee.

The duty of such a body should of course have been to admit evidence relevant to the comparison of "MB" and "SC" as alternative systems. This would have involved allowing the advocates of the "SC" alternative to show reasons, not only for superseding "MB," but for repudiating such alternatives as "MC" or "SB." And it goes without saying that the Master Bankers should have come out into the open as witnesses to be heard and cross-examined by the critics of their system. But none of these things has been done: on the contrary there is, as we have indicated, presumptive evidence of a deliberated plan not to do them. Broadly speaking the Snowden Committee is taking care of the financing-end of the problem, and the Economic Advisory Council the pricing-end. The consequence, to revert to our symbols, is that an integrated problem "MB," which should have been investigated by a single body, is bisected into two problems "M" and "B" for separate investigation by two bodies. This must end in confusion; for any investigation of "M" without reference to "B," or of "B" without reference to "M," is bound to be inconclusive. That is exactly why the terms of reference governing the deliberations have excluded these essential references. The derisory nature of the present dual enquiry can be best pictured by supposing that there were to arise a problem in applied hydraulics, and that a Committee were appointed to deal with the matter. It would of course be expected to call witnesses who had expert knowledge of water *as water*, and of the *properties* of water in relation to pressure. But supposing that the Committee were to announce instead that since water was a combination of Hydrogen and Oxygen it was resolving itself into a Hydrogen Committee, and that a separate Council would be formed to investigate the properties of Oxygen. The one clear result would be to push the science of hydraulics outside the terms of reference of both bodies. On the door of each council-chamber would be a notice: "Only Chemists Admitted"; and the hydraulic engineers would have to stand and gape outside wondering whether "wisions was about."

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This may sound a fantastic exaggeration to the casual reader, but if he will take the trouble to study the analysis on which Major Douglas bases his proposals he will assuredly have to say, in the glorious Devonshire formula used by an old friend of ours: "Them's true words you'm speaking." For look what has been taking place before the Snowden Committee. Firstly, a Master Banker, Mr. Montagu Norman, calls and leaves a message that he is not telling anything. Next come a row of Apprentice Bankers, explaining that they have to do what they are doing because the Master Bankers have arranged for it to be done that way. The arrangement is that they must not lend out more than a certain amount of money, and that what they do lend must be attached to a short-term string in case somebody loses it. Long-term loans are unsound finance; and as for permanent investment in industrial enterprises they amount to frenzied finance. It is difficult to suggest what enlightenment the Committee can possibly derive from this evidence, which amounts to nothing more than a manager's account of what he has to do under the instructions of his board of directors. And since the directors are absent the validity of their instructions cannot be tested; which means that the futility of the Inquiry is already determined.

Master Industrialist.—"I want more credit."
Apprentice Banker.—"I cannot let you have it."
M. I.—"Why not?"
A. B.—"It is against orders."
M. I.—"Whose orders?"
A. B.—"The Master Bankers'."
M. I.—"Why have they given them?"
A. B.—"I do not know."
M. I.—"Can you suggest anything?"
A. B.—"Mine not to reason why."
M. I.—"And mine to be done, and die?"
A. B.—"I'm sorry; but if that is so, there is no help for it."
M. I.—"But there must be. When can I see the Master Bankers?"
A. B.—"Oh; haven't you heard that they are not attending this Inquiry?"
M. I.—"But, bless me, they must attend somewhere seeing that the inquiry is about finance."
A. B.—"Well, I believe they will communicate their evidence to the Economic Advisory Council."
M. I.—"Ah, good; now we're getting somewhere. I'll be going along to the Council to see them. Good morning."
A. B.—"But wait a moment, sir. You can't get in. It is an official confidential Council."
M. I.—"Then why are the Master Bankers allowed in, and I not?"
A. B.—"I did not say that they would be present: I said that they would *communicate* their evidence."
M. I.—"How would they communicate it?"
A. B.—"Oh, between the sittings of the Council. They advise the members privately."
M. I.—"Well then, so ought I to advise them privately."
A. B.—"Quite so. And if you like to state your case to them in writing they will be pleased, I'm sure, to give it their consideration."
M. I.—"But bless you, man, don't you see that this would make me only a witness, while the Master Bankers would be judges—and on the issue of a suit to which they are a party?"
A. B.—"Oh sir, but you must bear in mind, after all, that Credit is a Mystery. My Masters are the chosen Stewards of that Mystery. A Mystery is something which defies comprehension by any method known to science. You cannot study it—the most you can do is to adore it."
M. I.—"Well, that sounds impressive enough: but these Stewards—how do they get wise to this Mystery?—how are they appointed, that I should accept their judgment?"
A. B.—Oh, well, the best way of explaining it is to say it is something like the Apostolic Succession."
M. I.—"Oh, I see—the Church, the Bishops, and so on."
A. B.—"Quite so—the 'laying on of hands,' and——"
M. I.—"Good man! Stop there! I've got it!! 'The *laying on of*——' Ha, ha! You must excuse my irreverence. *I was sold up last week.*"

Drama.

"The Dark Lady of the Sonnets" and "Androcles and the Lion": Old Vic.

After Mr. Peter Godfrey's production of "Hamlet" at Shaw's theatre—The Court—as if it had been written by Shaw, it was a noble courtesy of the Old Vic to present a couple of Shaw's plays as if written by Shakespeare. One of the two, "The Dark Lady of the Sonnets," mostly was, of course, and it may be this, rather than any deprecation of Shaw, which moved the Old Vic to give two of his plays in return for the one of Shakespeare's. Indeed, the Old Vic's conscience appears to have been pricked on more than one side by Shaw. The scathing censure of "As You Like It" which Shaw puts into Shakespeare's mouth in "The Dark Lady of the Sonnets" coincides with the withdrawal of "As You Like It" from the Old Vic's programme for the present season, in which it has been replaced by "A Midsummer Night's Dream." "The Dark Lady of the Sonnets" is so schoolboyish a joke that it is impossible to see why it was ever thought offensive. At times the string of quotations from Shakespeare causes the play almost to resemble the recitation delivered each evening to theatre queues and made up of the names of plays strung together. In exchange for the lines which Shaw steals from Shakespeare to season his joke he does not treat the poet he envies too badly. In "The Admirable Bashville," which Shaw wrote in blank-verse because, so he said, to anticipate the loss of the American copyright for the dramatic

rights of "Cashel Byron's Profession," he had only ten days to do it in, he probably composed the worst blank-verse that ever found a publisher without bringing with it a subsidy. But he can compose orations, and once his William Shakespeare, forgetting his own plays, begins to quote Shaw on such platform topics as "Socialism and Superior Brains," the National Theatre, and Shaw, the speech-making is as grand as William himself might have wished. It seems at this point a loss to the piece that the beard and costume of Shakespeare are not transformed into an unmistakable caricature of Shaw.

"Androcles and the Lion" pretends, of course, to be one of Shaw's anti-romantic corrections of the romantic interpretation of history, particularly that of early Christianity. To realise the anti-romanticism, however, one has to remember the Preface; for those who do not, the play is a pantomime gay enough to intoxicate all who can take adult pleasures childishly. Piety can be outraged if somebody explains why it should be, and that Shaw did explain can be the only imaginable reason why the play has been so rarely performed. Shaw displays himself in "Androcles and the Lion" rather more incurably romantic than the ordinary Englishman. It is true that he includes among his early Christians a spineless sycophant of a jealous God, just as he does outside the Salvation Army shelter in "Major Barbara," but only in a hopeless effort to protect himself against seeing all Christians as Major Barbara, Lavinia, and Ferrovius. Lavinia is one of the incarnations, if so fleshly a word can be used of Shaw's characters, of the romantic Shaw heroine who goes through all the plays from Lady Cicely in "Captain Brassbound's Conversion" to Ann Whitefield and Saint Joan. She is the intelligent woman under barbarism. Shaw has all his time been either a base flatterer of women, as the Dark Lady tells Elizabeth Shakespeare is, or else he has been under the domination of an idea of women rather more romantic than that of the virgin-worshipping age of chivalry. In all respects he treats women as babes and sucklings, even to the extent of putting into their mouths his own most refined wisdom. When he postulates a feminine image of Shaw, he becomes wholesomely conscious of his own psychological antithesis, and endows the woman with all the good intentions of the life-force and the subtlety of the serpent for synthesising them. Indeed, all that Shaw says about Socialism to the Intelligent Woman sitting childlike on his knee to hear what he has been telling men for forty years is not worth a single remark of Lavinia's. Between the Shaw militant and the Shaw prophetic, the Satanic Shaw and the Shaw saintly, those feminine characters of whom Lavinia is the type represent what Dr. Jung would call the patient's soul-image: the phantom that Shaw has been trying throughout life to absorb in his consciousness, which is actually made up of such antithetical elements as, on one side, Androcles, who loves animals more than men, and prefers to be thrown to the lions with the women rather than fight, or be killed by, a gladiator; and, on the other side, Ferrovius, who, when a sword is put into his hand and gladiators swarm about him, forgets that his rôle is to be a martyr, and elects to serve life instead of Christ by littering the arena with the corpses of six Roman gladiators. Thus, just as the man who in spite of trying hard to be a philosopher found cheerfulness always breaking through, so Shaw has tried hard to be anti-romantic, but romanticism of every order, including Ferrovius's and Cashel Byron's heroism, always breaks through. Shaw's laughter at the miracle of Androcles meeting the same lion in the arena as he had doctored in the forest is only half sincere. Shaw more than half believes in miracles. In "Saint Joan," when the wind changes, he stages as appalling and presumptuous a miracle as was ever seen on any stage. In the "Devil's Disciple," when Dick Dudgeon is saved by General Burgoyne's aristocratic refusal to hang even an American rebel by an American clock, Shaw stages an equal. He would not keep on doing this merely to laugh at it unless he was afraid of it and more than half believing in it. He swings backward and forward between the wretched pessimism of "Heartbreak House" and far-fetched optimistic fantasies such as "Back to Methuselah"; between damning the fatal folly and incompetence of men and adoring the eternal creativeness and self-conscious genius of women.

Shaw is thus sensitive only to the contradictions of life, which he allows to be uttered from the mouths of opposing debaters because of his inability to synthesise them. He is, that is to say, a great dramatist of ideas and debate precisely because he is no philosopher at all. In his prefaces he invariably attacks what the play, considered objectively and not as a continuation of the preface, vindicates. His "Dark Lady of the Sonnets," contrary to the general notion, does vindicate Shakespeare. When Elizabeth, for example, fears that there may be no England, so how should there be a great artists' theatre, Saint George says on behalf of Shakespeare that, whatever may fall, "what I have writ will stand," and proceeds to prompt Shakespeare with his own oratory. He vindicates Christianity in "Androcles and the Lion," both in the militancy of Ferrovius and in the conscious peace of soul of Lavinia, who even goes into prophetic trance, as do other Shaw heroines. The Roman captain, who, after delivering an oration to the martyrs which burlesques a score of modern authorities, including the State, the Church, and the Army, offers to marry Lavinia, is forgiven by Saint Bernard for the same reason as Christ offered on the Cross for the forgiveness of other Roman soldiers—that he knew not what he did. Not in all the histories of the conflict between religion and science has the agony of reconciling love and technique been more revealed than in Shaw's plays; in which the laughter is as that of men in great danger, perilously near to hysteria, and preserving sanity by pretending that the whole thing is of no importance.

The Old Vic production is a fine show, worthy of the occasion. It looks as if performance in Shakespeare's plays is excellent practice for Shaw's. The one wrote music, the other writes oratorio, magnificent oratorio. Miss Martita Hunt's Lavinia, Mr. Donald Wolfit's Ferrovius, Mr. John Wyse's Captain, Mr. Brember Wills's Androcles, and Mr. John Gielgud's Emperor are all joyful performances in tune with the spirit of the play. The Shaw woman, with both love and the serpent in her heart, is much more to Miss Hunt's taste than the ideal Shakespeare women. While listening to Mr. John Wyse's beautiful voice and diction one regrets that so few plays are produced nowadays for which beautiful speaking is required.

PAUL BANKS.

The "New Age" Dinner.

What Major Douglas Said.*

About six months ago the organisers of this pleasant gathering were good enough to organise a dinner to myself and Mrs. Douglas on the occasion of our departure on a somewhat hasty tour round the world. One of the main objectives of that tour was to read, in Tokyo, a paper written at the request of the organisers of the World Engineering Congress, the subject of which was, in the main, finance. One of the speakers at that dinner inevitably introduced the subject of bankers; and those who were present will no doubt remember that a band, which was in attendance at a banquet being held in a neighbouring room, somewhat invidiously struck up the "Robbers' Chorus" from "Chu Chin Chow." Since my return I have been studying the composition of Mr. Snowden's Committee on Banking and Industry, and I cannot help feeling that the subject with which we are chiefly concerned to-night ought to be introduced by singing that touching hymn, "Whatever, Lord, we lend to Thee, Repaid a thousandfold will be." But as we have no band I suppose we must omit it.

I make reference to this somewhat lengthy journey which Mrs. Douglas and I have recently completed, not with a view to inflicting upon you a traveller's reminiscences, but because it has certainly had the effect upon me of clarifying certain conclusions which I had previously formed. Perhaps the first and most important of these, although I do not suggest that it is in any way novel, is that the industrial and social difficulties of which we are in this room acutely conscious, can in no sense be said to be peculiar to the British Isles. They are not entirely identical in superficial appearance, nor perhaps, uniform in severity in other countries, but they are ubiquitous. There is no country in the world, of which I have any knowledge, which is not faced to a greater or lesser degree with some form of crisis.

Now I think it may be helpful to those who are not familiar with the views which many of us here hold on the main cause of this widespread unrest if I briefly recapitulate them. Taking the social and industrial dissatisfaction as objective facts, not capable of denial, we reject for the most part the more popular explanations of them which are frequently given. For instance, we do not admit that these troubles arise from private ownership or private enterprise, which may more accurately be defined as the private administration of industry, agriculture, and so forth. That is to say, we are, on the whole, disbelievers in the magic of nationalisation. Nor do we accord very much acceptance to the idea that these troubles arise from moral imperfections of human nature, and certainly we do not admit that any "change of heart" will rectify them. We refuse to admit that war, which we regard as being an inherent part of the existing social, enonomic and financial system, and not as an isolated phenomenon, has anything to do with a lack of goodwill between nations. We look, therefore, somewhat coldly upon efforts directed to the elimination of war, such as disarmament, without the elimination of its cause, much as we should look upon the efforts of a society for the prevention of spots in small-pox which refused to take any cognizance of the small-pox germ.

If I were asked to say in the shortest number of words what is the central core of our argument, I think I should be inclined to say that we contend that the world is allowing itself to be bound by a system of abstractions, which are divorced from, and do not run parallel to, the objective and concrete facts of modern existence, and that the antagonism, exasperations and conflicts with which the world is constantly and increasingly faced arise, in the main, from this cause.

Chief among these abstractions is the money or financial system, which, instead of being as it should be, merely a combination of a book-keeping and an ordering system, has become a tyranny, world-wide in its pervasiveness, and nearly omnipotent in its effect.

Perhaps the simplest analogy which can be used to convey the impression which I have in mind is that of a railway system, in which the ticket offices have become all powerful, so that irrespective of the needs of the travelling public, or the capacity of the trains, the activities of the railway become entirely governed by the number of tickets which the ticket offices consider it desirable in their own interests to issue.

It is not my intention, nor, I am sure, would it be your wish, that I should deliver you anything in the nature of a technical lecture to-night, but I might perhaps be allowed to say that as a result of technical and mathematical researches extending over a period of more than twelve years, which have been checked, and counter-checked from many sources, we are satisfied that we understand not only that the existing financial system enforces a state of affairs in which, to continue the same analogy, the number of tickets available is chronically insufficient, to deal with the number of seats on the train, but further, we understand how this comes about. We understand exactly how it is defective, and how it can be put right. That is where we differ from a large number of people who may be equally concerned with the parlous state in which we find ourselves to-day. For all practical purposes we know what is the matter, and how it could be put right. That is so axiomatic that most of us have lost interest in this aspect of the question and we are now interested in the psychological difficulties of getting people to see it. These difficulties arise in the main from two propositions: (1) That under the existing financial system all costs must go into prices; (2) that new purchasing power has its source chiefly from the manipulations of the banks.

We say, and we are prepared to prove our contention to any open-minded person of average education and intelligence that the construction of the orthodox mechanism for the financing of industry, in combination with the first axiom of commercial costing—that all costs shall go into prices—renders it mathematically impossible for the population of any country to buy the goods it produces, and that this situation is not affected by the exchange of these surplus goods for the surplus goods of another country—since if a country is unable to buy its own surplus goods, there is nothing in the exchange which would enable it to buy foreign goods substituted for that surplus. I would particularly ask you to realise that from the primary point of view this difficulty is a mathematical, not a moral, difficulty. It is, therefore, not amenable to any solution which does not take the mathematical situation into account. It is a mathematical problem, entirely divorced in itself from any moral considerations whatever, and its proper solution is also mathematical and independent of so-called moral considerations.

It would not be true, however, to say that no question of policy is involved in the practical issue. Most unfortunately, I think, it happens that this mathematical defect in the credit and costing system places the money dealer, and in particular the banking system, in a position of unparalleled power over the destinies, not only of the economic system itself, but over those who are dependent upon it for their livelihood. It is an unfortunate fact that a great deal of ingenuity and ability, backed by unlimited money power, is employed to prevent the fundamental facts from being placed before the public in such a form, and over such an area, as would ensure early and effective action.

It is one of the outstanding features of the existing defective financial system that its defects automatically constitute it the most powerful method of control, with reservations, that the world has ever known. Its very inadequacy as a distributing system makes it a commercial and economic bottleneck. Finance at the present time forms a bottleneck to the whole of the activities of the world, and therefore the people who are in control of the bottleneck can control the world. The fundamental cure is to remove the bottle-neck so that the point of vantage can no longer be a point of attack for world politicians.

Close acquaintance with the problem soon convinces one that the world is faced with the conscious or unconscious opposition of many of the individuals who are fairly successful under the present system, because in the nature of things their preoccupations, and in many the very qualities which have made them successful, prevent them from recognising that the system to which they are wedded is hurrying, not only the less, but the temporarily more, fortunate into an inevitable catastrophe.

In consequence, the problem which faces those of us who are conscious of the gravity of the situation is not so much to prove the correctness of our views as to find means to overcome the psychological resistance of those who are satisfied with the present system.

The objection will be raised, "But if the great difficulty is in getting people to accept these ideas, then what is wanted is a change of heart." I do not think this is so. What is required is something nearer to "a change of head." It must be obvious that so far as the great majority of orthodox business men, and even financiers, are concerned, a clear conception of the certainty of a catastrophe which would involve themselves, as well as others, would in itself bring about any "change of heart" necessary. It is lack of grasp of the situation which is at the root of the matter in the vast majority of cases, although I am sometimes inclined to think that there is a nucleus which is both informed and implacable.

The lack of capacity to understand the situation arises, in my opinion, largely from the habit of mixing up abstractions with the problems of economics and political economy. It is extraordinarily difficult to talk to the average man on this subject without the introduction of "If a man will not work, neither shall he eat," which has nothing to do with the question. If you ask the average business man what is the most urgent problem of the moment he will say "That of unemployment," and the great mass of argument on this subject starts from the assumption that the economic and industrial systems ought to provide employment for everybody, because employment is normally good for people. This is in the face of the patent contraction that every engineer and organiser is using his best efforts to reduce the amount of labour required in production and so producing unemployment.

There is always this irrelevant mixing up of abstractions with concrete and mathematical questions, and this confirms my opinion that only a serious crisis of some sort will awaken these people to a sense of reality.

You see the same muddle-headed thinking in regard to problems such as are agitating India at the present time. The British case tends to rest on the contention that we are in India for the benefit of the Indian, because we know better what is good for him than he knows himself. In other words, it is a pseudo-moral case. I think the soundness of it is extremely doubtful. Under existing circumstances, the British have just as much right in India as anyone else, and it is perfectly legitimate for them to seek their own interests there. I do not say this is the right policy, but this linking up of abstract and concrete issues is one of the most weakening things that nations or peoples can indulge in.

In England the same sort of thing is going on. Exalted sentiments and even more exalted taxation seem inseparable, and the more desperate the condition to which the country is brought by the concrete actions of its moralist politicians and bankers, the more convinced do they seem to be that an increased dose of high thinking is ample compensation for a still more rigid regime of plain living.

This lack of a sufficiently robust faith in the sanity of our actions, and the delusion that it is necessary to justify them by reference to some abstract and unproved principle with which they obviously do not square, while at the same time doing nothing to alter the rules of the game, is, in my opinion, one of the most formidable factors in the present situation. It is so widespread and offers so great a barrier to the reasonable conversion of the numbers of people who require to be converted before a change in the state of affairs could be peaceably inaugurated, that years ago I came to the conclusion, which I regret is not sensibly modified, but rather strengthened, that only the hard logic of a serious and probably world-wide calamity will shake people out of their condition of hypnosis.

There is another aspect of the situation which, while not perhaps so fundamental, is from certain points of view equally grave. I am, I think, very far from being a rabid Imperialist, and I do not think that I should ever be inclined to adopt as my motto, "My country, right or wrong." But I look with very considerable suspicion on the brand of so-called "Internationalism" which is so fashionable in certain quarters of this country to-day. There is a great deal of muddled thinking and talking on this question, but it seems quite clear to me that so long as the present financial, social and industrial systems persist, and while doing everything possible to obtain a change to a more sensible and sane condition of affairs, there is a clear duty laid upon all of us to maintain, and enhance by all proper means the prestige of Great Britain, even if only because in the inevitable settlement we shall in that way be in the position to make our influence felt.

One of the most superficially obvious features of a trip round the world, such as that I have just completed, is the presence in every country of a tendency to suggest that Great Britain has already fallen to a position of a second-rate power, both politically and commercially. This is particularly noticeable in Japan and China, and is always coupled with the idea that the United States have replaced us.

I notice that recently a firm of stockbrokers in the City of London, the senior member of which bears, I think, the good old British name of Otto, or Oscar, Falk, issued a circular to their clients suggesting that a permanent decline of British industry had set in, and advising them to take their money out of this country and place it in America. The same sort of thing is going on all over the world in various forms.

There is no other country in the world which has been put under the financial harrow as has this country since the war. Its taxation is higher than that of any other country. The Bank Rate has been permanently kept ½ per cent. above that of New York, so that we only get the business which the United States did not want. Whatever may be said

[*This is in substance a true report sent by a reader who attended the Dinner. There has been no time for Major Douglas to revise it. We shall publish any corrections or emendations that he suggests in an early issue, we hope next week.—ED.]

about the winning of the war, there is no difference of opinion as to who has lost the peace.

There are many other factors in the situation which are equally significant. Legislation has crippled our industries. Take, for instance, the motor-car industry. One of the key industries, either in peace or war, the industry on which the aeroplane industry must for some years be based, is the motor-car industry. Our unique and onerous system of motor-car taxation has resulted in a type of car which is practically unsaleable outside Great Britain, and has thrown the markets of the world open to the American car, which suffers from no such restrictions. During my stay in Japan, where there are hundreds of thousands of cars, I never saw a single British car. There are no Japanese cars, and the vast majority of the cars are, of course, American. There are a few British cars in China, and a few in India, but the overwhelming majority are American because their powerful engines are more suitable to the rough country. The British cars are wholly unsuitable for these countries, and the reason lies in our taxation system.

I have no connection with the motor-car industry, but I know from my connection with the Air Force during the war that this question of the motor-car tax has been continuously brought up since the war, and it is not possible to get any action taken.

I have no doubt whatever that the decline and fall of the British Empire as such is the objective of very powerful forces in the world to-day. I think that, taking the situation as it is, this question is one which does demand the attention of everyone who has the interests of this country at heart.

You will no doubt ask what ought to be done in these circumstances. Well, that is a very difficult question to answer, and I think the correct answer is very largely relative to one's situation in life, indeed, to one's own temperament. But it is quite clear to me that of all the possible policies at the present time, we, as a nation, are pursuing almost the worst. We are allowing ourselves to be entered as competitors in a deadly game of which, in its competition form, as a people, we are obviously tired. Not only that, but there is sufficient evidence to make it reasonably certain that there are forces in the world at work to determine that we shall not have fair play in this game, and we are allowing these forces to stand at a point of vantage from which they can modify the rules of the game as best suits their objective. Our position in international affairs is not at all dissimilar to that in which we stand in regard to sport. We protest that a game is a game, and we train for it in our spare time. But we enter competitions against an entry from other nations who regard a game as a business to be won at any cost, and on the whole, we lose.

The first point on which to be quite clear, I think, is that either we shall withdraw from the competition or, if that seems impracticable (although really it is not) we should train to win,—recognising the fact that there are only three possible issues of the present economic and financial system. The first is war, which is an inherent part of it; the second is a complete economic and financial breakdown, which seems probable; and the third is fundamental reconstruction.

If you consider, as I am afraid I do consider, that one, or perhaps both, of the first two is likely to precede the third, then I think your proper course is to ridicule those who cry "peace" when there is no peace, and to take such steps as may be possible to ensure that when the reconstruction does come there shall be a sufficient representation of British culture—which is the only important part of the British Empire—to be in a position to say "We knew that this would be the outcome, and this is what you now must do."

The Screen Play.

The Cocoanuts.

As this American "talkie," which is now generally released, enjoyed an exceptionally long run when it was first shown in England, it appeared the duty of a critic to see what it was that the public liked so much. If the British public really likes productions of the kind, which appears to be the case, the "talkie" has debauched popular taste to an even greater degree than I had imagined. Incredibly puerile attempts at humour, and a sniggering lewdness, which is vulgar without being funny, coupled with the antics of Hebrew comedians, are the main ingredients. The Jewish comedian is obviously popular in the United States, but as presented to us through the medium of the American screen, he seems more likely to produce a wave of anti-Semitism on this side of the Atlantic. I must add, in fairness, that my opinion of "The Cocoanuts" would probably be a trifle more favourable if the projection had not been so bad as to render most of the dialogue unintelligible. Possibly, however, this was a merciful dispensation.

Four Walls: Tussaud's.

Good melodrama, backed by good acting, characterises this rather unusual film, which is based on the redemption of a crook. The theme sounds banal, but is not in this instance, since it is worked out in an unconventional fashion in which the element of surprise and the suspense motive are very skilfully used. The principal players are John Gilbert, Joan Crawford, Vera Gordon, and Carmel Myers. Gilbert gives a distinguished and pleasingly reticent performance, and Miss Myers and Miss Gordon are among the few actresses who can use their brains in an emotional part. Joan Crawford is nearly always a pleasure to watch, but she is not too well cast in this rôle. The direction and photography are admirable, and the film has the added merit of being silent. As is so often the case with American screen plays of more than average interest, it has been presented with a complete absence of trumpeting.

Mickey Mouse.

Little as I love the sound film, I give it full credit for having made possible Walt Disney's enchantingly joyous series of "Mickey Mouse" cartoons. Mickey is the lineal descendant of our old friend Felix the Cat, but he is very much more, since Mr. Disney has succeeded in handling the technique of the sound film so as to produce a new art form. Indeed, these animated cartoons represent the only real artistic development to which the "talkie" has yet given birth.

Mickey Mouse must be seen to be believed. To a humour which is both impish and Rabelaisian, Mr. Disney adds the use of music in a fashion which is as effective as it is witty. Hanks of spaghetti become harp strings; cows' tails undergo a strange metamorphosis into the cranks of even stranger musical instruments, while their teeth perform the office of a zylophone; bony skeletons in haunted houses slyly place chamber pots under beds; the funnels of river steamers become concertinas; and sea lions, looking marvellously like Old Bill, perform incredible baritone solos. All this, added to admirable draughtsmanship, characterised by economy of line.

One of the most delightful of Mr. Disney's cartoons is "Springtime: A Silly Symphony," which is to be seen at the Stoll this week. I cannot attempt to analyse this witty work of art, which reveals its creator as one of the really great figures of the screen, comparable with Chaplin and Réné Clair. No one interested in good film work can afford to miss it. Mr. Disney is one of the very few people who have until now made me hope, largely against hope, that the use of sound has not entirely degraded the art of the screen.

The Italian Straw Hat: Avenue Pavilion.

Réné Clair, for whose best work I have an extreme admiration, gained his reputation in the first instance largely through "Un Chapeau de Paille D'Italie." The action of this film is laid in 1895, and when I saw it in France two years ago I believed at first that it had been made about that date. Its almost incredible length succeeded, after what seemed like three weeks, in completely destroying any vestige of interest I felt in the production, but as this is the first occasion on which English audiences have had the opportunity of seeing it, I am inclined to recommend it as a curiosity. Not the least curious feature is that so distinguished a director should have thought it worth while to devote so much effort to interpreting Labiche for the screen. The cast includes Olga Tschehowa, Maryse Maia, Jim Gerald, and Albert Prejean.

DAVID OCKHAM.

A New Poet.

This volume* is a selection from ten years' work, and includes nothing its author has written during the past year or two. He has hitherto refused to publish a volume; he has even refrained from sending out his verses to editors. Only three or four of these hundred and thirty-six poems have been previously printed. It is an instance of self-restraint unique in English literary history. Mr. Gollancz is to be congratulated on his courage in publishing so handsomely so large a first volume by an unknown poet. He is reported to have done so because he is convinced that he has had the good fortune to light upon a major poet; he is not mistaken. English poetry has been in the doldrums for a long time. Mr. Aaronson not only defines his own work, but accurately diagnoses what has been wrong with English poetry when he says (if, as I believe, he is responsible for the statement on the jacket), "he deplores . . . the whittling away of all fierceness in poetry under the plea of 'classicism' and 'restraint.' This poetry is not afraid of rhetoric, exuberance, 'bad taste,' ungentlemanly excitement of feeling, and even obscurity, where the tension demands the communication of the poem in its very making. He disdains no device, and is not afraid of being 'poetic.' . . . No durable and significant poetry can be fashioned out of a typical negation. Poetry is the whole living mode of the poet."

It will be interesting to see what reception is given to this declaration and the poems it introduces. The little schoolmaster critics who have a monopoly of our poetry reviewing will miss the big issues the book raises, and concentrate on petty points of irregularity or failure of rhythm, and use of unpoetic words, forgetting that one mode of reading a poem can bring out its rhythms where another, used to a different type of poetry, will fail to do so, and that poets at all times have had to fight against conventional notions of poetic diction. The criticism of poetry on the score of confusion or inconsistency of rhythm derives from regarding some particular kind or kinds of rhythm with which the critic is familiar as synonymous with poetic rhythm as a whole; it is to condemn poems not because they are anti-traditional, but because they are not Early Victorian, and so forget the infinite varieties of rhythm in poetry outwith the particular type the critics have in mind. Criticisms of this kind are petty and irrelevant. Mr. Aaronson is not a revolutionary poet. His experiments with abrupt transitions of rhythm and the introduction of words like "cartography" and other more or less scientific polysyllables are never unreconcilable to the traditions of English poetry; on the contrary, they are in keeping with the way in which it has always developed and enlarged its vocabulary. It will be absurd to see him fight Wordsworth's battle over again in such connections.

These are puerile points to set against his positive achievement. I do not propose to quote here more than a few lines from this big book. It contains poems drawn from all the stages of a continuous ten years' development; poems of many kinds, betraying very diverse influences. But it is fascinating to see Mr. Aaronson working up through the past of poetry, and of English poetry in particular, in this way, and slowly, but surely, finding his personal idiom—virile, various, inspissated with non-English influences, but, by and large, harmonising with the main body of English poetry with a magnificent amplitude and power. He dwarfs all the Georgians and post-Georgians even in his exercises; in the poems in which he gets beyond pastiche and finds himself he becomes at once a new and tremendous force in English poetry—worth a thousand little tricksy rhymsters like Humbert Wolfe, and set over against T. S. Eliot on the one side and the Sitwells on the other as a timely and effective challenge.

Let me give one or two brief quotations. (1) From a great poem entitled "The Jew," phrases like

> "serpent-suave wild trees . . .
> their barks like human skin,"

and such epigrammatic power as this:

> "I'll seek no ancient ways
> Were once the core's externe.
> No tents unfold, no vines
> To struggle against my walls.
> No Moses but as Christ,
> No David but as Donne."

(2) From "Farewell to the Mediterranean," such an image as:

> "And, lo! the conclave of the sun
> Praying below its own small life
> Like pines upon the mountain slopes,
> With shoulders bent beneath the wind
> Voicelessly praying every one."

And (3) the close of the unnamed poem on page 40, in which he declares himself:

> "word-life at the core of disbelief."

These few lines, however, do little to illustrate (and my space will not let me give other examples) the pregnant phrasing, the searching sincerity, the cumulative power, the wide range from descriptive genius to gay humour, epigrammatic wit, and savage satire, which make this the most remarkable book of poetry in English for many years, and are an ample earnest of its author's tremendous mission, "the bringing back of belief in the very stuff of communication into the sceptical nerveless life of our generation."

C. M. GRIEVE.

* "Christ in the Synagogue," by L. Aaronson. (Victor Gollancz. 12s. 6d. net.)

Ancient Politics.

By V. A. Demant.

That "there is no new thing under the sun" has been asserted by many observers of political history. Others have offered the ready explanation that after all Solomon only looks wise in this because most Western political leadership has been cradled in the categories of classical political thought. The explanation, however, loses some of its plausibility when the same series of political problems and similar conflicts of social forces are revealed in civilisations older than Aristotle.

The pleasant reading of Dr. Baikie's book,* already noticed in these columns, will set any dabbler in contemporary politics asking whether perhaps there is not something eternally the same about man and his problems, however much their mental and material instruments may change. Over the period here covered, from the Unification of the two Kingdoms which inaugurated the dynastic period to the fall of the eighteenth dynasty which followed the tragedy of Akhenaten's religious reformation and the pitiable reign of Tutankhamen, we have perhaps the most richly patterned and clearest panorama of political problems the world has seen in the history of a single civilisation.

Here the vicissitudes of kingship can be followed through its successes and failures in the land where probably this political conception originated. Throughout the Old Kingdom we see Pharaoh as the embodiment of true aristocracy. It was the state who insisted upon the royal observance of the material welfare of the land and the ritual performance of the royal priesthood. He was the embodiment of the laws, written and unwritten, and his authority rested upon this representative function. As a recompense for this limitation of his powers the King was surrounded with an inordinate amount of deference which, surviving his death, was the mainspring of Egyptian state religion. This early period is marked by an orderly system of delegated constitutional authority which contrasts vividly with the popular pictures of ancient monarchs as irresponsible and despotic rulers. For centuries the Egyptian State was pacific, and when a military expedition is at last called for an official trusted in the law courts or civil administration is given the command.

With the growth of foreign relations the character of the State changes, military activities become more and more a

* A History of Egypt. From the Earliest Times to the End of the Eighteenth Dynasty. By James Baikie, D.D. (Black. 2 vols. 36s.)

regular occupation, Imperialism rears its head during the Middle Kingdom, and the absolute supremacy of the Pharaoh is established by the military organisation. The fiction of constitutionalism remains, however, as in more recent cases of similar development, and we read inscriptions of his Majesty obtaining unanimous approval from his subjects for what he means to do in any case. This feudal age of Egypt has the marks of similar phases in other cultures; architecture gives way to literature; there is a spirit of pessimism and introspection, the writing of psychological and moral documents, and an abnormal interest in immortality. It is an age of brilliance rather than grandeur; and a new period is inaugurated by the stimulation given by the invasion and expulsion of an alien people, the Hyksos.

The eighteenth dynasty, which witnesses the culmination of a centralised monarchy growing out of the cult of war, is an example of internal social weakness. Here is the parting of the ways between political and social achievement. But it is also a period of social experiment. The growth of an Egyptian Empire in Asia is curiously marked by the growing influence of women in Statecraft. It is the age of Hatshepsut, the woman Pharaoh, whose reign is an oasis of peace and commerce which stands out in a long period during which Egypt is regarded by Asia as a compound of acquisitive capitalist and interfering nuisance. The break up of the original aristocratic tradition by its own grandiose schemes of empire is heralded by an able woman of common birth rising to the throne as the wife of Amenhotep III., the Golden Emperor, whose claim to that title rests mainly like that of the better known *Roi Soleil*, upon the material glamour of his reign. Queen Tiy, however, goes down to history as the mother of Akhenaten, the fanatical monarch who, in collaboration with his wife, Nefretiti, one of the world's greatest beauties, attempted to establish monotheism in the land. This pathetic failure brings to an end the great period of Egyptian history proper. There is only to follow the sunset glow of the boy Tutankhamen's reign, whose glory—and curse—has so impressed the twentieth century.

Besides high politics, these vivid pages lighten up also less momentous but more human problems. "In sooth it is hard to satisfy hired servants. For one saith, 'He is a lavish person; one knoweth not what may come from him.' . . . But on the morrow he thinketh, 'He is a person of exactitude (parsimony), content therein.' . . And when favours have been shown unto servants, they say 'We go' (a month's notice)." The servant problem in the Old Kingdom recorded in an inscription that might have been written in Mayfair! The civil service in ancient Egypt had none of the false modesty of its modern equivalent. When a permanent official thinks he has done well he tells you so with emphasis. "I was excellent to the heart of His Majesty"; in a legal case "No chief judge and vizier at all, no prince at all was there, but only I alone, because I was excellent. . . I alone was the one who put it in writing"; in a military exploit "I was the one who made for them the plan. . . I did so that His Majesty praised me on account of it." With a few men like that among our public servants we might recover a little sense of political responsibility.

LETTERS TO THE EDITOR.

THE BANKERS' BOYCOTT POLICY.

Sir,—By the same post by which I received the current copy of THE NEW AGE with its reference to the boycott of books, including my own, on the subject of finance, I received from a correspondent a letter containing the following paragraph: "No doubt you saw the mention in THE NEW AGE a week or two ago of a book 'The Mystery of Trade Depression,' by Holsinger, for twenty years editor of the Indian *Daily Mail*. I sent at once for a copy of this book, only to get word from the publishers that 'all copies had been returned to the author.'"

Evidently a good deal of pressure is being applied to prevent ventilation of this subject.

C. H. DOUGLAS.

REPRESSION IN RUSSIA.

Sir,—The "widespread pro-Russian sentiment that is now stirring through working-class and intellectuals alike," which Mr. Le Gros Clark mentions in his lucid article in the current NEW AGE, is possibly less a sign of sympathy with the Russian Government than a symptom of weariness of orthodox authority in this country. On the whole, there is probably equally little freedom for the masses of the populations in either Russia or Britain. In Russia, however, slavery is enforced with the bare (or mailed) fist: here with the gloves on. None the less, in both countries it is effectively enforced, and the sentiment referred to is really the common one of the unfortunate human unit groaning under a devil he knows, and hoping vaguely that the devil he does not may be less unkind.

W. A. W.

Sir,—The article in your issue of March 6, by Mr. Le Gros Clark, on the thorny subject of Russian persecution contains such a jumble of disputable propositions and fallacious arguments that it would be impossible to disentangle them without writing at a length equal to that of his contribution. But the matter has become obscured by such a fog of perverse misunderstanding, to which Mr. Le Gros Clark, unwittingly, no doubt, contributes, that I hope you will allow me space to try and sort out some of his propositions and examine them.

1. "Possibly in a few weeks' time all the public that values evidence will have satisfied itself that there is *no* persecution."

This seems a somewhat disingenuous sentence. Anything, of course, is "possible," but one is tempted to ask how much evidence "the public" requires. Nowadays no evidence hostile to the Soviet administration is deemed worthy of attention by "progressive" opinion unless it is corroborated by that administration itself, since the Soviet, it is assumed, like the medieval king, "can do no wrong." This does not seem a very scientific standpoint, but suppose we accept it in this instance, we find the Soviet code adopting and the Soviet Press glorying in an attitude to religion which is unparalleled in any other part of the world, and would assuredly be described as persecution by Socialists if it were employed against them. Even Mr. Brailsford has admitted that one cannot reasonably expect any bishop or priest who believes in his religion to lie down under the ordinance that forbids its communication in any organised way to the young and adolescent while the activities of the "Anti-God Society" are kept running at full blast. ("By inference encouraged," as Mr. Le Gros Clark puts it, with a degree of understatement indistinguishable from inaccuracy.)

2. Does Mr. Le Gros Clark really believe, or expect his readers to believe, that the bishops have been led to use the grave language they have—most of them in studiously measured terms—because "the Soviet State has disestablished the Russian Church"? Is it news to him that the Bishop of Durham has for more than a year been openly advocating the disestablishment of the Church of England, and that there is a considerable volume of opinion in the Church that would do everything to forward such an eventuality for very much the reasons that your contributor suggests? I do not for a moment doubt that the cutting of the particularly undesirable connection between the Church and the State in Russia has been altogether a blessing to religion. But to argue from this that Christians ought to accept as reasonable, desirable, and just a situation in which the open profession of adherence to any form of religious belief condemns those who make it to a condition of virtual outlawry, and that in a country where the fate of the individual hangs to an altogether unique degree upon the good pleasure of the State power, is a proposition that NEW AGE readers will surely be hesitant to swallow.

3. I have never been able to understand why for Christian people to protest against the campaigns against religion in which the Soviet power takes such unconcealed satisfaction is to be deemed equivalent to declaring "war" against the Soviet Union. I can never remember a time in the last half-dozen years when the "progressive" press was not proclaiming a war upon Russia to be imminent, yet none of these wars have ever occurred. Meanwhile, the most militant and provocative organisation in the world, the Third International, has maintained (with whatever justice is not now the point) an aggressive hostility to every established government from the shadow of the Kremlin which, in view of its perils to peace, is (to adopt your contributor's phrase), "nakedly inexcusable."

4. The closing paragraph of the article under discussion seems to mean—if it means anything—that the Church leaders, though "quite simple and honest; for they probably are," are to suppress their simple and honest convictions for fear of alienating "widespread pro-Russian sentiment that is now stirring through working-class and intellectuals alike." If this sort of truckling to ill-informed sentiment is your contributor's idea of what Christian honesty demands, it is not mine. If Church leaders surrendered to it they would indeed become the "court chaplains to King Demos," which Dean Inge once so groundlessly called them.

5. There is one last aspect of the situation revealed by the Soviet Persecution to which attention deserves to be called, and that is the treachery of the "Free Thinkers." For a century secularist writers have demanded—very justly—deliverance from restrictions on freedom of expression imposed in the imagined interests of religion. Now that they have, for all practical purposes, secured this, they are confronted with an example of spiritual oppression of a character and upon a scale ten times as formidable as any that "free thought" in England has experienced for centuries. Yet there has been scarcely a protest raised by any of them in circumstances that so decisively call for it. Is freedom of thought, then, to be conceded only to those who would attack and extinguish religious belief and devotion, and withheld from those who would defend and practise it?

MAURICE B. RECKITT.

ANSWERS TO CORRESPONDENTS.

MISS REBECCA WEST.

To A. C.—Thank you for cutting from the *Royal Magazine* of June, 1928. Miss Rebecca West seems to have had her head turned in the right direction, judging from her reference to (inconclusive as it was) the banks. She is at present on the editorial board of *The Realist*, which, as you probably know, printed an article last December on the financial situation by Mr. Brenton.

SOME "A+B" REFLECTIONS.

To A. W.—Thank you for your letter dated March 7. As you will know already, it is exceedingly difficult to put the A+B Theorem across to the man-in-the-street in the "*few words*" (!) which he inevitably demands of you. We think that as you understand Social Credit, you will be able to accept the following postulate without proof; namely, that, taking the progress of the conversion of a raw material to a consumable product, as it actually takes place within the production-system, the principle under which the material is bought and sold is the same as if every firm along the chain of production directly borrowed from the banking-system an amount of credit equal to the total of its purchases from its supplier. As you are aware, it is a matter of convenience to the firms concerned to carry on business by a different method, which is that, generally speaking, they follow the custom of extending credit to their customers, and those customers to *their* customers, and so on. But none of them can provide more facilities of this sort than it receives: and all the time it is the banking system which originates and determines all their floating credits. If you agree to this, you will agree that *in principle* every debt owed by one firm to another for supplies is a debt owing to the banking system. If so, then its *payment of such a debt* is the *repayment of a bank loan*, and results in the cancellation [or "destruction" (vide Mr. McKenna)] of a deposit. This is another way of saying that the "B" expenditure of a firm represents the *cancellation of purchasing-power* and not a supplement to it. To state this conclusion in ordinary terms: if the energies of the whole community were directed to producing one consumable article, say bread, then no part of the money spent by any baker on, say a purchase of coal, would rank as valid purchasing-power in respect of the *private consumption* of the particular *batch* of bread which was to be baked by the use of that particular *batch* of coal. Notice our italicised emphases. A firm may often use business-revenue for personal consumption; but this use of it is invalid; it has to be temporary only, and must be replaced. "Private consumption" is emphasised because people often use the term consumption to describe purchases of good by firms inside the industrial system. The only real consumption is represented by deliveries of goods to private buyers outside the system. By using the term *batch* our intention is to lay stress on the separateness of each chain of production—the reason being that unless one can disprove the A+B Theorem in respect of the costing of an isolated chain of production, he has no ground of argument left. If there are, say, ten lines of production, all of them convergent on the ultimate appearance of a certain consumable product, and anybody asserts that the final cost of this composite product can be met by the consumers' incomes under existing financial arrangements, he can only prove it by showing that the incomes distributed along each of the ten lines of production are separately able to meet the final cost of each particular constituent at the time when the ten constituents and costs are merged into one article and price. It is not the slightest use showing that the costs incurred along Line No. 1 can be met by dipping into the credits used along Line No. 2.

* * *

Another line of investigation is to start with the private consumers and to consider them collectively as a "firm" buying supplies from the retail trades. In this transaction the expenditure of the Consumers' Company (so to call it) would be wholly "B" expenditure, i.e., money spent on "supplies from other firms"—to wit, the retailers. Now, this "B" expenditure of the consumers becomes the revenue of the retailers. The question arises: can the retailers use any portion of this revenue in such a way as to supplement the demand of consumers for their goods? If so, what *proportion*? Where is the dividing line? And when that question is resolved, against what *batch* of goods would the supplementary purchasing-power rank?

It is a complex matter to resolve these questions by reference to practical examples. The least complex example would be, say, the case of an old lady running a sweet shop. Taking sweets as representing consumption in general, it is easy to answer the first question. If she sold four boxes of sweets which had cost her 1s. per box for 1s. 3d. per box she would be able to spend 1s. out of her 5s. on a box for herself. She would thus become a customer of her own business in respect of her profit. In principle these transactions amount to the same thing as if she had sold the five boxes to her customers for their 5s., and they had made her a present of one of them for her trouble. Whichever way you look at it no portion of this 5s. is now valid as purchasing power for further sweets from her remaining stock; on the contrary, it is entirely earmarked for paying off a debt to the wholesaler (if she bought on credit) or for paying for a replenishment of her depleted stock (if she was buying for cash). That is to say, that she is a *trustee* for the 5s. and has no *property-right* in it. And if, as we have mentioned before, the bankers did in practice with every individual business what they are doing with industry collectively; that is, if they directly lent credit in subdivided sums directly to every business, great or small, instead of lending in large aggregated sums to selected industrial borrowers, this old lady would owe the 5s. to her banker. It would represent a part of a bank-loan secured on her original stock. This is a rough indication of what is meant by the proposition that all "B" expenditure represents money earmarked for repayment of bank loans—money under sentence of death. The popular illusion that it is still alive is chiefly due to the fact that the bankers, by reason of the designed or fortuitous circumstance that their loan-credit is sub-leased many times over and in multitudinous directions, hardly ever appear to the ordinary onlooker even to be participants in the transactions under notice, much less the effective owners of all the wealth in respect of which economic transactions as a whole take place.

To P. J.—Thanks for your postcard of March 7 informing us that in "this week's" (now, we presume, last week's) issue of the *Listener* there are "express references" both to Major Douglas and THE NEW AGE. We shall consult it ourselves; and now pass on your information for any others who are interested.

"The political doctrine which denies the right of individual members of Parliament to keep their election promises on separate questions, without incurring the charge that they are voting to put the Government out of office, is a doctrine the I.L.P. has never supported. The famous Bradford resolution, passed at the Coming of Age Conference in Bradford in 1914, is quite clear and still stands. I will end by quoting it in full:—

"'*That Cabinet rule, which involves the suppression of the rights of the private member to any adequate voice in the policy of his Party, and which implies the resignation of the Ministry and the dissolution of Parliament when proposals of the Cabinet are negatived, besides making almost impossible the free consideration of proposals which have not received the Cabinet hall-mark, is inimical to the good government of the country; that with a view to the ultimate break-up of this system, the Parliamentary Labour Party be asked to take no account of any such considerations and to vote on all issues in accordance with the principles for which the party stands.*'"—Rt. Hon. F. W. Jowett, M.P., in the *Bradford Pioneer*, December 6, 1929.

"'Montagu Collet' Snowden. Chancellor of the Exchequer Extraordinary. The Only Gold Standard Socialist In Captivity. The World's Rara Avis (The International Bankers' Pet Bird) reported captured by the Bank of England. Given the freedom of the City of London for effecting a financial saving amounting to approximately Two Days' Interest per annum on a fraudulently funded war debt running into billions of dollars which is scheduled to enslave British taxpayers, business men, and workers for the next sixty years. To cap the climax, this remarkable achievement by Mr. Snowden, as the result of his bombastic splurge against the Young Plan, has been widely heralded as being 'the most heroic stand that has ever been made by any statesman in the world's history.'"—Headlines, etc., in leaflet issued by the American Society of Martians, December 18, 1929.

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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