

THE NEW AGE

INCORPORATING "CREDIT POWER."

A WEEKLY REVIEW OF POLITICS, LITERATURE AND ART

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NOTES OF THE WEEK.

Within its own frame of reference Sir Oswald Mosley's speech in the Debate on Unemployment on May 28 was an excellent effort. He rightly insisted that in tackling a problem of this kind the initiative should not be left to Civil Servants, but should come from the Government itself. His reference here was to the composition of the committee which the Government had set up to advise and assist Mr. Thomas—a committee consisting, he said, "mainly of officials transferred from the Board of Trade." That sort of committee "cannot possibly grapple with the problem." Moreover, it had met only nine times since the Government took office, and only twice during the present year. The Government, when returned to power to deal with unemployment, ought to have made its first business the creation of an effective administrative machine. In his view, the machinery should consist of a central organisation with research and advisory departments linked to an executive and operating under the direct control of the Prime Minister. If this, as he had been told, would mean a "revolution in the machinery of government," he declared that the nature of the problem made such a revolution a necessity. The world situation, it was true, had aggravated the problem, but they must beware that they did not make the world spur for doing more." Mr. Thomas's policy of rationalising our export trade was no use; they would have to look to the home market for the solution.

"If we are to build up the home market we must be insulated from the electric shocks of the present world conditions." According to the *Daily News's* Parliamentary Correspondent, not only was the speech generally appreciated, but at certain junctures it drew cheers from separate Party groups in turn.

We see unmistakable evidences of political tension behind the scenes. One of them is manifested in the witting or unwitting lapses into "indiscretions" by Ministers—a tendency to infringe conventions of etiquette, and tell secrets. Within the

space of not more than nine or ten days we have witnessed (1) the Secret Service with a fit of nerves, sending its agents to cross-examine journalists about the press announcement of Gandhi's arrest some time ago: (2) Mr. Churchill's deliberated revelation of the contents of a Cabinet document on Anglo-American naval relations: (3) Mr. Snowden's *faux pas* in bringing the name of a Society lady in a debate: and now (4) Sir Oswald Mosley's disclosure, which he made when discussing the Government's "Civil Service" committee, that—

"To the first two meetings I and other unemployment Ministers were not invited, and at those two meetings every decision on policy and administration was taken."

Exactly. Here is a perfect little model of our irresponsible Parliamentary government at work. Instead of political policy conditioning administrative technique, you have precisely the reverse. Now, these indiscretions are not merely a help to the public in forming an opinion, but they provide the only means by which the public can get any enlightenment at all on political affairs. Conventional debates are nothing but smoke-screens. We therefore hope that this Ministerial tendency to outspokenness will persist and develop. While we are on the subject we will record two items of interest in connection with the dinner of the Civil Service on February 14. Mr. Snowden and Miss Margaret Bondfield were there. Mr. Snowden said:

"I do not mind confessing to you in these surroundings that I always stand in awe of and regard with reverence the permanent officials of the Civil Service. But if you remind me of that to-morrow or at any future time I shall tell you that the remark was made after dinner."

Mr. Snowden was speaking jocularly, but that does not impair the significance of this passage. It was only a barely exaggerated description of the subservience which ministers yield (and are obliged to yield under the present financial system) to their technical advisers. And Mr. Snowden's concluding sentence is a faithful reflection of the practice of high politicians only to be frank in private, and to plead privilege should their views become public. Whole parties adopt a similar attitude; for when, upon reaching office they are reminded of their

pledges, their reply is based on the formula: "Oh, yes, but the pledges were made during the election"

Mr. Snowden, continuing his remarks, said:

"If I had not left the Civil Service and become a politician I would not at my time of life have the anxiety and responsibility that I have to-day. I would have been enjoying a modest Civil Service pension, probably augmented by substantial fees from a number of city directorships."

This is entirely as it should be. The Civil Servant's value to the public is "modest," and his value to the City is "substantial." It is not as the servant, but as the instructor, of Ministers that he chiefly functions as a permanent official. Mr. Snowden would be well advised to stick to his natural acerbity when he speaks. For when he jokes he forgets himself and lets things fall out, whereupon alert listeners come by their news. Miss Margaret Bondfield's contribution to the speechmaking consisted in the useful remark that whereas Ministers were "supposed to appoint" their secretaries, "in fact they inherited them."

Exactly three months after making his privileged confession to the Civil Servants, Mr. Snowden was making an unprivileged pronouncement to the British Bankers' Association, when every word he said was going to be published. And what a transfigured Mr. Snowden it was. No more cringing to experts, but self-determined responsibility.

"I introduced the Budget. . . I had a deficit. . . I had the task of deciding. . . I did not ignore the matter to which you have alluded. . . I was faced with this problem. . . I had to raise. . . Mr. Chairman, I entirely agree. . . I have two guiding principles in my financial policy (the country must pay its way). . . My second principle (replacement of the Sinking Fund deficit) . . . I decided to make provision. . . I shall gain something like £12,000,000 on the cost of Treasury Bills. . . I appointed the Macmillan Committee. . . I shall give their report my most earnest consideration. . . I shall regard it as a great contribution to the sum of human knowledge in so far as I agree with it. (Laughter). . ."

and so on through nearly two columns of The Times of May 15, to the applause of an assembly including such respectful and deferential listeners as Goschen, Bradbury, Rothschild, Schuster, Grenfell and Good-enough.

It is obvious that a man like Sir Oswald Mosley who wants to get something done instantly and directly to relieve unemployment cannot remain in the same Administration as Mr. Snowden, whose only concern is to balance the Budget and maintain Sinking-Fund services. Sir Oswald recognises that industry is unable to absorb any of the unemployed without measures of assistance, the chief of which is financial assistance. He says straight out that £100,000,000 or £200,000,000 for road and other construction will have to be raised, and that—

"If this loan cannot be raised then unemployment, as an immediate emergency problem, cannot be dealt with. If the money cannot be raised, then let us honestly confess defeat and run up the white flag of surrender."

His plan is to make room in industry for 430,000 people by pensioning off 280,000 people at the age of 60, and sending 150,000 juveniles back to school; and to provide new jobs for 300,000 more. He hopes to get 700,000 or 800,000 knocked off the unemployment roll. The three proposals together would involve a net Budgetary charge not exceeding £10,000,000 a year during the term of the scheme, which he suggests should be fifteen years. Additionally, there would have to be an "imports control" scheme to protect these re-employment measures from external disturbance. During the debate the criticisms from the older Parties were addressed chiefly to questioning the estimate of cost

put forward by Sir Oswald. But he claimed that he had the authority of the Government's actuaries for the figures he had mentioned, and challenged the Government to produce these calculations, which had been submitted to the committee.

But the importance of the present crisis does not depend on details like this. It lies in the fact that all Parties have come to realise the gravity and urgency of the unemployment problem. The public are losing interest in the question of whose fault it has been. The excuses and recriminations of the several Parties have had the effect of undermining public confidence in Parliament as an institution. What is the use of electing any new Government when that Government immediately turns round and pleads that its programme of reforms is paralysed by the mistakes of its predecessor in office. Without a doubt the excuse is well founded; and that is the danger. For this phenomenon of sudden impotence on attaining office is chronic, and affords good ground for the suspicion that it is the outcome of design and not accident. In the games of billiards and golf, it sometimes happens that a player, instead of trying to score, plays a stroke expressly intended to prevent his opponent from scoring. That may be tolerable enough at certain junctures in a game, but if players made it a rule of the game the spectators would soon show their disgust by staying away. How much more will this effect not follow when the business of politics is run in this fashion—when the question of a party's scoring or not scoring is a matter of material moment to this or that section of the community? In the recent by-election at Nottingham, where the full resources of all three party organisations were concentrated on stimulating interest in political issues, and where additionally the power of two great Press-Trusts was employed to the same end, no fewer than 17,528 electors out of 45,045 did not trouble themselves to vote. Every vote withheld from Parliamentary candidates is a vote cast against Parliament. And it only wants the situation to develop a little further, when we shall see the House of Commons itself representing a minority of the electorate.

So something will have to be done, and whether that something requires a "revolution" in the machinery of administration, or the provision of new money, the requirements will have to be satisfied whatever the upholders of codes and traditions have to say about it. It is interesting to observe that Sir Oswald Mosley has assumed the mantle which Sir Montagu Barlow wore some years ago just before the downfall of Mr. Baldwin's first Administration. Sir Montagu talked about a £200,000,000 loan for re-construction, and now Sir Oswald is suggesting a £200,000,000 loan for re-employment. Thus the need for new credit persists in manifesting itself irrespective of alterations in Ministries. It is a cat that won't drown.

Nobody in the House—not even Sir Oswald Mosley—has questioned the policy of drowning the animal. Nobody sees the absurdity of the policy of drowning a cat in a catsmeat pool. It is the bankers' fault entirely. They threaten at one end of the system to penalise producers who do not hold back production, and they penalise would-be consumers on the other hand who are not working to push production forward. If you do something towards producing a glut you may consume goods, but if you produce a glut you may not consume goods. In a system run on this rule employment itself creates unemployment, and, conversely, unemployment creates employment. The explanation of the paradox is that communities

measure their title and their ability to make and distribute material wealth by reference to bankers' monetary calculations, the results of which are not only misleading, but actually reverse the true meaning of the economic situation. Everything which the industrial engineer would record as a physical asset the bankers record as a financial liability. Have we got a railway system?—or have we reconstructed our road-system?—well then, according to financial law, we owe the monetary value of them to somebody or something. The somebody or something can only be the banker and his system, because a whole community has no means of possessing money in the first instance except by receiving it from the one source whence all money comes.

It is no use analysing the community and pointing out that the debt in question is owing by, say, seven-eighths of them to the other eighth, when the total money held by both sections together is a mere fraction of the figures of the debt. The Social Credit analysis clears this up. It shows that existing debt represents past repayments of debt. In fact, we do not have to travel outside Mr. McKenna's speeches to see it. Thus: a bank-loan creates a debt incurred by the borrower—the borrower spends it and creates a cost—the recipients of the money spend it partly on consumption and partly on repaying bank-loans or making investments—the money travels back to the banking system through these channels as repayments by other borrowers of earlier bank-loans—these loans to the bank are cancelled, and the money disappears out of circulation—but the cost incurred by the later loan still stands as a charge against the community.

It is vital to remember that whereas the repayment of a bank-loan by a producer extinguishes his liability to the bank, it does not extinguish the liability of the community to him. In fact, the community's liability to him is created by his act of repaying the bank. For unless and until he repays the bank he has not really bought the property (whatever it may be) that the loan was used to construct, and cannot be regarded as being under the necessity of recovering any money from the community on account of it. But in the case of the repayment of a bank-loan the producing-borrower has first to get the money out of the community by some means or other. So at the moment he pays back the bank the community have bought him his factory (or whatever he spent the original loan on). The community have paid its cost to the bank on his behalf. They have bought him what he regards as a revenue-earning asset, but in doing so they have parted with the money which ought to become the revenue he expects to earn; and the banker has destroyed it. Reflection on these facts will show that capital charges are a banking liability to the capitalist, not a communal liability to him. The bankers, by the act of destroying credit recovered as loan-repayments, destroy the evidence of their ability to discharge this liability. If their books were kept in such a way as to reflect the physical facts of production and consumption, there would be a sort of national suspense account in which there would appear a credit in favour of the community equal to the cost-value of all existing industrial assets. If such an account were published in the bank's annual balance-sheets there would be no more confusion and perplexity in the political field about "where the money was to come from" either for employment, reconstruction or anything else that the country thought desirable. When the Financial Times says that economic progress is impossible without the "ever-recurring writing off of capital," it is really saying that capitalism cannot recover all its costs from the community. Direct costs currently distributed, yes; but overhead costs belonging to the

past, no; for the bankers have had the money and destroyed it!

There was a big splash of an article in the Daily Express of May 2 by Storm Jameson, the "distinguished novelist" on "What I am Teaching My Child About Money." The only bit of wisdom in the article was contained in a quotation of what her little son had told her about money. She had refused to give him some on one occasion, explaining that she hadn't any.

"And he thereupon suggested going into the nearest shop and asking for some. 'Oh, you can't do that?' said I. 'Well, what are you going to do?' said he; 'someone must give us some money.'"

The little chap was on a true scent, and it is a pity that he is trained to hunt herrings.

"And I am teaching him that it is not only his skin but his soul he will save, by realising that it is less important to have much money than to have the certainty that the work you are doing and the life you are living are worth something."

This is right on the lines of bankers' propaganda, which is always full of these subtle suggestions that the possession of money is an obstacle to culture. It is true enough that money cannot directly buy such things as learning or love: but it can facilitate access to them because it can buy health and leisure. It is surprising how fiction writers, like Storm Jameson, who have to possess the gift of imagination to do their work, seem to lose it completely when they turn to writing on economics. This lady prattles away—she does not want her boy to have too little money—nor to have too much money—nor to think too much of money—nor too little of money—nor to work exclusively for money—nor to work exclusively for work's sake, and so on exactly on the model of the orthodox finance-economist who tells us that too much inflation is wrong, and too much deflation is wrong, but that the "right" is the happy mean: or, with regard to prices, that they must not rise too high nor fall too low, but must be stabilised at the happy mean. What she is teaching her son is that money is a mystery.

Professor H. Levy is another example of the tribe of obscurantists. In Nature of May 31 he reviews a book* written by an engineer which is an engineering and sociological forecast based on present economic possibilities. The Professor starts off

"We may be able to devise the most cunning calculating machines, we may conquer the sea, the air, and the road at incredible speeds, we may flash messages around the globe, probe the atom, and span the outermost confines of space, we may multiply our productivity a thousand-fold, but we have not yet conquered the simple problem of distributing the produce of the earth amongst its inhabitants. . . . are we merely still unscientific fools who have not yet considered the first step towards a rational view of world supply and distribution?"

Beautiful sentiments of course—but that is all. He immediately proceeds:

"The fact is, of course, that we are still so steeped in historic and racial prejudices that we have not yet a glimmering of the historical and racial prejudices we have to overthrow before we can examine this question with scientific detachment."

Here is more Mansion-House missionary work. He is in effect saying that before we can begin to tackle the problem of distributing production we must undergo some long-drawn-out moral and psychological training. We must purge ourselves of sin—we must cure ourselves of neuroses—we must, in fact, exercise every one of the forty-two propensities or faculties which constitute the human brain except those which are capable of solving a scientific problem.

* "The Time Journey of Dr. Barton." John Hodgson. Egginton, Beds. John Hodgson. 3s. 10d.

In this article of two and a half columns there is only one reference to money, and even that is not Professor Levy's but the author's. It occurs in an enumeration made by Professor Levy of the subjects discussed in one section of the book.

"Human wastage; useless child-bearing; infant mortality; debility from preventable diseases; indulgence in soporific drugs; wars; competition and obstruction in civil life; faulty planning of necessary world routine work; our stupid and obscure money system; restrictions due to language differences."

Professor Levy comments:

"Mr. Hodgson's attempt to read a lesson in world potentiality, while it is intensely illuminating, does not face the real issue. There have not been lacking religious, social, and now scientific enthusiasts to point to a visionary future as a possible present, but inherent in its attainment is always the difficulty of reaching to it. As well ask a paralysed thirsty man to reach out for water.

If only, he says, we were "merely inhabitants of the earth" we might deal in the "most scientific manner" with the economic problem; but we are "not such idealised beings."

"We are creatures of prejudice, we prefer Oxford to Cambridge, England to Scotland, Britain to France, whites to blacks."

Professor Levy seems to belong to the Lamont-Wells-Observer school of denationalisers who are trying to convert the world into one country with one currency, one bank, and no armaments. So that when the only power of coercion will thus reside in the control of money, the bank can put every obstructionist in his place and initiate a detached scientific inquiry into the remedy for under-consumption. But it has not occurred to Professor Levy to ask whether the bank would want the remedy adopted.

His reasoning is like a mummy; it crumbles when you unwrap it. To begin with, he mixes two entirely different problems up as one—the scientific problem of finding a solution and the psychological problem of getting it adopted. In the case of the first it has to be pointed out that racial and other prejudices have not prevented the scientists from discovering the solution to the production problem. It is a matter of common agreement among industrial engineers that the means of production already existing in the world are capable of keeping the needs of its population adequately supplied. There is therefore no ground for saying that racial and other prejudices must necessarily prevent scientists from also discovering the solution of the distribution problem; for in the nature of the case, the second is a simpler problem than the first: it is easier to divide up products than to make them. But we need not pursue this subject further, for the difficulty of finding out how to reach what Professor Levy would describe as a "visionary future" has already been surmounted. The solution has been formulated and demonstrated by Major Douglas, a man who has not waited to become a "mere inhabitant of the earth," but has done the job while yet under the condemnation of being a Scotchman.

We suppose that not even Professor Levy will contend that racial prejudices will prevent scientists of other nationalities from examining Major Douglas's proposals. Consideration of such prejudices only becomes relevant when one examines the problem of getting the proposals adopted. But as soon as he does so he finds that the obstacle is not racial at all. We can speak from our own experience here, and our readers will unhesitatingly endorse us, when we say that the obstacle that has to be overcome is moral prejudice, and proceeds from a type of mind which would still persist were all racial differentiations and national boundaries abolished. We go further and say that as a general rule the people who exhibit that prejudice most conspicuously are the very

people who want to abolish these distinctions and who take pleasure in the idea of racial coalescence. The coincidence can be rationalised. It stands to reason that those who feel convinced that the world can be put right only by getting peoples to mix and mind each others' business, will not look at any proposal which will enable those peoples separately to mind their own business. The Social Credit Proposals will enable any nation to exploit its own resources and distribute its own products to its own people in its own way. Not only will the corporate life of each community be more abundant as measured by material things, but its culture will thereby be more fully manifested, which means that it will be more sharply differentiated. Now, every nation, considered as such, must desire this benefit for itself; and cannot have any motive for disliking the idea of similar benefits accruing to its neighbours. Conversely, no nation, considered as such, wants to have its economic actions and cultural standards prescribed or even affected by an external centralised system of standardisation.

Lord Castlerosse in the *Daily Express* of May 29 had an article discussing Anti-Semitism in England and America—an aspect of that racial prejudice which Professor Levy attaches such potent powers for evil. Speaking of America he said:

- (1) A Jew has great difficulty in getting into a first-class club in the U.S.A.
- (2) He cannot take an apartment in a fashionable house in New York.
- (3) He meets with prejudice when he tries to get a nomination for his son to a university in America.
- (4) He is discriminated against in some hotels in America, particularly in the south.

In Canada the Jew is admitted into the clubs but excluded from the Stock Exchange. In the United States he is not excluded from the Stock Exchange. Lord Castlerosse casts his article in the form of a "Address" to the "Board of Deputies of British Jews," addressing them in the second person. Thus:—

There is a business reason for excluding Jews from hotels. You are extremely clannish, and the moment a Jew settles down he collects round him his relations, with the result that the countryside obtains an imitation of the Ghetto. In America many Jews have risen swiftly from humble origins. Their relations have often been slow. This entails a mixing up of the financial classes."

On the other hand, among the "Christian" Americans, "rich women like to mix with rich women."

With reference to anti-Jew prejudice generally Lord Castlerosse says:

"The fact of the matter is, with all respect to you, Jews are never quite first-rate. You are too specialists for that."

He observes, as Mr. Ford did, that whatever power the Jews have got they do not dominate financial affairs. He instances Morgans as the leading financial firm. During the war a Mr. Davidson, who was a partner in it, made a deal with the British Government.

"In rough terms it worked out like this. If the Allies won the war, then the position of Morgans, which had been somewhat shaken by the rough road of the New York, New Haven, and Hartford Railway, was certain not only to be rehabilitated financially, but the prizes were so large that Morgans would reign supreme for years to come. On the other hand, if the Germans won then Morgans lost, and the stake would have been not only to Morgans, but even to America itself. If Germany had been victorious, America could never have collected a single debt."

His point here is to show that Gentiles still exert substantial influence in high-financial operations. His account is interesting because it throws light on Ford's account of how Bernard Baruch jockeyed Wilson into declaring war on Germany, and how the firms still further the prevalent belief in this country

that the United States came into the war for purposes of her own. It helps to explain the delay before the American armies arrived, because, as French Statesmen have pointed out, all the time that the American soldiers were getting themselves ready, American-made munitions were pouring into France and being put down on France's bill, whereas, if the Americans had been on French soil, the cost of the munitions would have been an American charge. Even strategy in the crisis of actual war is governed by monetary considerations—which is an additional reason why the heads of British military services should actively back our demand for the control of credit-policy to be resumed by the Government. Mr. Page's celebrated message to his chief, President Wilson, at the outbreak of war, that "the British Empire has fallen into our hands" comes to mind. If we take the reasonable hypothesis that the longer the war lasted the more likely that Mr. Page's prophecy would come true, it suggests a plausible reason why Colonel House turned up shortly before the Armistice, when the war had been won, with a proposition that the Allies should continue fighting until they reached Berlin.

Lord Castlerosse sums up his attitude in the phrase that he neither likes nor dislikes a man because he is a Jew. "I admire the Jews, but I do not fear them." His admiration is based presumably on the fact (as he says) that they are an "artistic race" "who admire beauty." It is a pity, he says in the last sentence of his article, that Jews are now gravitating to New York and not London.

"My regret is not due so much to a warm hospitable feeling as to the knowledge that your race instinctively seek out the wealth-earning centres of the world."

We have made this digression not to discuss the right and wrong of anti-Semitism but because of its bearing on the general question of prejudice raised by Professor Levy. Lord Castlerosse spoke wisely when he drew a distinction between a "first-rater" and a "specialist." We can leave the Jews right out of the question, and apply the truth to mankind in general. You can be a vocational specialist and yet be a first-rater. But if you are a temperamental specialist you cannot. For a first-rater is an all-round man, whose characteristic is well-balanced faculties, which enable him to evoke enjoyment of his society in all people on whom he bestows his friendship. Naturally he reserves his friendship for those who possess qualifications similar to his own; and so they. If then these men associate in a club which they make an exclusive one it is at worst a harmless, and at best, a healthy "prejudice." And nobody who criticises their attitude can say that because he is excluded it is bad for the club or bad for society in general. He might say that it wounded his pride, but that would be of no import to anybody but himself. It is true that in high society as we know it to-day the ideal first-rater is hard to find. There were plenty of them a few generations ago, and one of their outstanding common sentiments was a prejudice against going into trade, and against admitting anybody who did into intimate association with themselves. Well, their prejudice has been broken down by the force of money-power, but nobody can say that any good to anybody has been accomplished by the change. Specialists of all sorts have got up into places of social and political influence, but the effect on the cultural and economic condition of the people, who are under that influence, has been retrograde. Our great economic trouble to-day is the superfluity of people who are willing to go into trade and cannot.

What is wanted is more "prejudice" not less; particularly, to-day, a prejudice against letting aesthetic specialists like writers, actors, or artists obtrude their exhibitionist propensities into discus-

sions of public import. They are chiefly interested in the exercise of their special talents, and when they come out of their proper role as entertainers to play the part of public instructors, they choose a thesis which best lends itself to the practice of what children call "showing off." Of course it is the Press that really does the choosing, because the proprietors impose a limit on the number of allowable theses on which these entertainers may discourse. Thus we get such spectacles as that of Mr. H. G. Wells parading his fictional fancies, which ought not to be seen outside a novel, as a sound political objective before an international assemblage of politicians—or Tallulah Bankhead or some other unmarried actress broadcasting views on marital relationships or sex conventions—or James Douglas on obscenity, or God—or any congenial *poseur* on any subject which either does not matter, or on which, if it does matter, he has less qualification to offer an opinion than the average obscure citizen who reads him.

Lord Ashton died last week worth more than £30,000,000. Under Mr. Snowden's Budget the death duties on estates over £2,000,000 have been raised from 40 to 50 per cent. So the heirs will pay £15,000,000 to the Exchequer. This looks good for the general body of taxpayers, but it isn't. If it produces a surplus of revenue over expenditure at the end of the current financial year the balance will be applied to reduction of Government debt. Holders of, let us say, War Loan (chiefly the bankers themselves, who own most of it and have money lent out on the rest) will sell out to the Government. Before the Government can pay, it must get the duties in the form of money, whereas Lord Ashton's fortune is in the form of shares in his linoleum and other properties. So the heirs must either sell £15,000,000 worth of shares or must borrow that amount on the security of the property. If they sell, the buyer must realise his own property to that amount, or borrow. And the further you look into the mechanism of the transaction the more clear will become the truth that in the end all that will have happened will be that the ownership of Lord Ashton's property has been divided equally between his heirs and a small group of investors, who, considering the magnitude of the sum involved, will certainly be banks, insurance companies, or other financial institutions. The situation will be exactly as if a bank were to create £15,000,000 of new credit and lend it to the Ashton family, who would transfer it to the Government, which would use it to buy war loan from the same bank which advanced the credit. That is to say, the bank would have converted £15,000,000 worth of war loan into £15,000,000 worth of property, thus exchanging an intangible and inferior security for a tangible and a superior one; for it is obvious that to a banker the control of actual earning-assets is a better security than any Government's legal power to tax those assets. No part, therefore, of the £15,000,000 becomes available for the relief of taxation, or for the financing of new social services. The money never leaves the high-financial loan-investment circuit: it completes a cycle far above the heads of the people. The only thing that can affect them is the possibility that the dispossession of the Ashton family of one half their control over the linoleum property will result in cheaper linoleum!

"I have two guiding principles in my financial policy. The first is that the country must pay its way. (Cheers.) I might have set out upon a poaching journey, looking for henroosts to rob. That would have been very fruitless, because all the henroosts had already been robbed—(laughter)—and not only the henroosts but the poultry too. We have been living nationally upon our capital in the last few years."—Mr. Snowden at the Bankers' Association Dinner, May 14.

Economics and Ultimate Truth.

*Purpose** for the April-June quarter contains articles by W. T. Symons and Philippe Mairet (joint editors), John Gould Fletcher, F. Le Gros Clark, C. M. Grieve and R. A. Stephens. The subject-matter is well assorted and balanced, covering economics, psychology, sociology, literature, philosophy, art, and drama. The mention of four of the names of the contributors connotes a fundamental unity of outlook underlying their several modes and subjects of expression. What is true on one plane is true on all planes. The comprehension of ultimate or universal Truth is a matter of so relating differentiated truths as to bring them within one plane, leaving no single truth out of focus. But alas!—that elusive and magical focal point—how shall man find it?

Never mind; though the task be superhuman, there is no doubt at all that humanity can yet travel a long step in the direction of achieving it. And the leaders who can best be trusted to point the direction are obviously those who have already solved a part of the problem. The contributors to *Purpose* are, for the most part, men who have done this with respect to the economic system which becomes sharply defined at all distances. This is an immense stride; so immense that it has taken some years, and will take many more, for them to realise and explore the new avenues which it has opened up towards the creation of a new synthesis of culture.

It seems almost miraculous that, on the economic plane, eleven years ago poverty was universally accepted as a natural phenomenon. Economic knowledge at that time consisted of a huge assemblage of apparently unrelated data. Economic research at that time could be likened to an endeavour to make a lens of as large dimensions as possible in order to get a clear picture of economic truth on the plate. But the larger the would-be photographers made the lens, and the greater the quantity of light consequently admitted to their camera, the more blurred the image. Illumination was magnificent, but definition nowhere.

The reason was discovered by Major Douglas in 1919; and his book, *Economic Democracy*, was (in the above analogy) a treatise on optics. "You'll never get a picture with that lens," he said; "because it is always working at full aperture: and the larger you make it the narrower will be its depth of focus; until there will come a point in the extension of its size when this depth of focus won't be a depth at all but a Euclidean line." Naturally, everybody said: "This fellow is unintelligible." But then he proceeded from criticism to construction. He had invented, and now exhibited, something equivalent to that beautiful mechanism, the iris diaphragm—the pupil of the lens's eye, which the photographer can expand and contract by turning a milled-band on the lens-barrel. (He calls this "opening" or "shutting down" the stop of the lens.) "Now then," said Major Douglas, "with this device you can stop down your lens and get your picture."

"Fantastic nonsense," exclaimed the old hands. "What; is it seriously proposed that after we have made a huge lens to get all possible illumination on our plate we are to turn a screw to shut some light out?—Are we to admit light through a one-inch hole behind the lens when the lens is six inches in diameter?" And so only a few curious investigators took any further notice.

But there were a few, and when they studied the matter they saw something parallel to what every schoolboy has found out with his camera. Let us poke our faces under the dark cloth, and see what

the boy sees on the ground-glass screen. Here we are with a view in front of the camera. There's a dog six feet away; a hedge eight feet away, a cottage twenty yards away, and so on to a cow on the peak of a mountain miles away. Now then; open up the stop to the fullest aperture. Next; rack out the camera, until we get correct focal point. What do we see? As the lens is moved forward away from the plate, everything in the view comes out sharp on the screen, *but in sequence*. First the dog, then the hedge, then the cottage, and finally the cow in the sky. But, try as we will, we find it impossible to get more than one of these objects in sharp definition at the same focal point—or, as we can say, at the same moment. So now we try stopping down the lens. We turn the diaphragm screw, and the diaphragm closes in and cuts off a ring of light, it may be only a narrow band all round the circumference of the lens. Oh; but now look; the ground-glass is not so brightly lighted up. Yes, but we've got our cow and cottage in sharp focus together? And by continuing to close down the stop we can get all the other objects sharp on the screen at the same moment.

In the absence of such device as this the photographers of the old economic school sighed despairingly over distances. With bankers in the foreground—capitalists near by—investors farther off—wage-earners in mid-distance—shopkeepers beyond—and consumers on the horizon: how on earth get a picture in which they were all clear at the same time? It couldn't be done. But to-day it is done. The economic mystery is cleared up. And it is vital that those who now assume the task of directing research along higher planes of knowledge shall be aware of the fact, the nature, and the implications of the solution. For, however high the aspirations and ideals of a man's spirit, he is an economic animal; and there is no avenue of approach to the ineffable—no science, no art, no philosophy, which is not related somewhere and somehow with man's reactions to material conditions. The primary task of the searcher is to discover the place and nature of those relationships.

For example—when poverty was believed to be a law of nature, it was inevitable that the tolerance of poverty should be regarded as a virtue ordained by God. But to those who have seen that poverty is preventable, the phenomenon at once becomes evil, and tolerance of it becomes, not obedience, but disobedience to the will of God. This one thing alone is of immeasurable help to explorers in the realm of religion, for they are able to affirm that the doctrine of Abstinence has no divine sanction in the realm of economics, and that any religion which enjoins its practice in that realm is impure. Blake said that he saw "all heaven" in a flower. He could also have smelt it in a flower; or heard it in a sea-shell; or touched it when he stroked the fur of a living mole. But though, out of our senses is born our concept of heaven, these senses themselves had their birth, and are incessant sucklings at the breast of physiological process until death. With deeper insight than Blake's, we can see heaven in a grain of corn. In the Lord's Prayer Christ first enjoined his hearers to ask for their daily bread, and next to seek forgiveness for their trespasses. It seems almost as if He judged that the trespasses of the unfed and underfed needed no forgiveness—that only those who were secure in material necessities became subject to the law of sin.

Again, turning to the subject of psychology, particularly psycho-analysis; postulating that the general aim of the psycho-analyst is to help his patient to adjust themselves to the society in which they have to live, it is of vital importance for him to distinguish between those social conditions which are permanent and those which are in process of

change. For what is the use of training a "psyche" to tolerate a disappearing factor in its environment? A clear concept of the impending revolution in economic life made possible (and it may be imminent) by the Social Credit analysis is essential to a wise discrimination between psycho-analytic theories and methods.

We might continue such reflections indefinitely, but we have said sufficient to justify the view we have expressed, namely, that research into immaterial problems of every sort will yield the most fruit when directed by men who have grasped the economic problem and seen the solution.

It will have been noticed that Major Douglas's analysis has, among other features, demonstrated that nine-tenths of ascertained economic truths are irrelevant to the method of changing the system. To ascertain *direction* he had to eliminate a mass of superfluous evidence. And it seems highly probable that to make researches into other fields of knowledge practically beneficial to the mass of human beings, the same method of eliminating superfluities will have to be pursued. If so, this is an additional argument why Social Credit students are likely to make the most useful explorers.

Finance and the Press.

The *Daily News* and the *Daily Chronicle* have been merged into the *Daily News and Chronicle* as from Monday, June 2. Rationalisation, they say, is as necessary in journalism as in other enterprises. This means that it is necessary, in this case, to close down a valuable printing-press and sack a staff of writers and compositors. It is the *Daily News* which has absorbed the *Daily Chronicle*, so that the *Daily News* single plant and staff will produce the former total output of two. Every journalist realises that this must mean that the additional copies now printed to cover the previous circulation of the *Daily Chronicle* will be produced virtually without cost. This enormous saving has enabled the new management to refrain from raising the price of the new newspaper. It is still one penny.

It will occur to some readers that the time for practising this sort of economy is unfortunately chosen. Might it not, they may ask, have been done earlier, when unemployment was not so bad, or have been deferred until later, when we were through the present crisis? The answer is that the present merger has such obvious commercial advantages that it would have taken place years ago if nothing more than immediate commercial considerations entered into the policy. But such considerations do not apply to newspaper policy. Newspapers are instruments of bigger objectives than the earning of profits, and in fact it often pays the interests behind them to run them at a loss. According to the *News of the World* the *Daily Chronicle*, in 1892, under Massingham's editorship, was able to prevent Sir William Harcourt from inheriting the Premiership from Mr. Gladstone, and to procure the selection of Lord Rosebery as Premier, with Mr. Asquith his leader in the Commons. In 1918 the paper came under the control of Mr. Lloyd George. In 1926 Mr. Lloyd George sold out to two Indian merchants, Sir David Yule and Sir Thomas Catto, "with whom was associated Lord Reading." (*News of the World*). The subsequent death of Sir David Yule was followed by the sale of the paper to Mr. William Harrison, a solicitor by profession, "who had developed large financial interests."

Without investigation we can only speculate on the reasons why these transfers were made, but one thing is pretty certain—the buyers were not out for a profit on selling newspapers. There is little doubt

that each interest in turn held the paper and used it until it had served its purpose, and then sold the tool to another interest which was after something else. In view of our "Notes" of May 22 on Anglo-Indian relations and Lord Reading's part in them, it is significant to observe that he secures control of the *Chronicle* with Indian associates, in the very year when he comes home from India and Lord Irwin goes out. And if anybody likes to go into the financial and economic history of the whole period from Rosebery to MacDonald (1930) there is no doubt that many other significances will be detected. Our own general conclusion is that the *Daily News* has been instructed to absorb the *Daily Chronicle*, because the financial interests have got the whole Liberal Party where they want it, and have no further reason for supplying Liberals with alternative viewpoints through two newspapers. A secondary reason may be that they have decided to back the Labour Government, which, of course, is indistinguishable from a Liberal Government. In fact, we may yet see another merger resulting in a paper called the *Daily News, Chronicle, and Herald*.

Towards a Human Society.

By W. T. Symons.

The profound truth that for man the compulsory earning of his bread by the sweat of his brow is a "curse," an expulsion from Eden, makes slow progress in human thought.

On the Shavian principle of acclaiming weaknesses and misfortunes as virtues and moral triumphs, the course of human development westward from the cradle of Jewish culture has been based upon acceptance of the "fallen" state as natural. "Sweat" has gradually been elevated to highest honour amongst the virtues—at any rate, for the vast mass of mankind; and now, at last, in the New World of material success, it is accepted by everyone with enthusiasm, whilst in the Old World, the Marxian reprisal extends it to everyone, in an attempt to redress the grudge against the age-long tyranny of the few who for themselves, and not for man, have achieved a freedom which was therefore false.

But that same scripture in which the curse is pronounced, describes man as a "living soul," and the living soul has not been content to remain under the curse. He has risen the earth for its wealth and brought the sun from heaven to his service, in the fury of his revolt. He has not understood what he was doing.

The spirit, bending from the glory of self-knowledge to direct the unconscious energies in men towards their destiny, has achieved the mighty task of transubstantiation. The elaborate antics of the "lunatic mind," in all the complexity of human institutions designed to cover with aggrandisement the shame of the "fall," have never for a moment deceived the human spirit.

The living soul has not expended his strength in combat with the Cherubim whose flaming sword barred his way back to innocence; he has transported himself to another Eden and stands with his hand upon an open portal. But he cannot believe it is open. The achievement of his spirit is unbelievable to his intellect. The long strife has left him pre-occupied—only for continued strife. He is not aware that he has regained innocence.

Until he had exercised his earthly power to the full, and subdued the material world to his unconscious purposes, he could not come to consciousness. And even now he cannot "consider the

* C. W. Daniel Co., 46, Bernard Street, W.C.1. Quarterly, 92 pp. 6d. Postage 1d.

lilies," nor can he enter into that beatitude in which the knowledge of good and evil is eclipsed in an illumination beyond both. He stands bewildered at the open gate.

The Western World, the spiritual florescence of the Genesis vision, has come thus to crisis in its destiny, and no less grandiose picture than that of its origin can do justice to the significance of the present moment. Will men cling to the curse and deny the redemption wrought by conjunction of the human spirit and their unconscious purposes; or will they enter the Eden they have won?

These would be idle questionings, in flowery words, remote from human experience, had it not happened that on the instant when redemption from slavery to the earth came in sight, the real focus of the searching spirit was deflected from its "many inventions" in the physical realm, and began to explore the mind of man himself, lest the joyful conquest should be lost through human perversity. From that moment it has been impossible to pretend that human destiny is less than a mystery of cosmic range, in the thought and action of every man's life.

The reason that I hug my chains, the reason that I rivet yours, is now laid bare. The reason that modern civilisation hides its achievement from its own sight, and seeks to destroy it even at the cost of the most inhuman sacrifice, is now understood. The "cup of cold water" is dashed from the lips of "these little ones" at the moment that it has been filled, lest they should quench their thirst and live. But we now understand the fear which dictates the cruel deed.

The World crisis in which we are involved cannot be comprehended in the formula of any one of its elements. It proceeds from conflict in the soul of man, however precisely centralised in technical operation. It therefore contains all the richness of the human complexity. The microcosm is a complete epitome of the macrocosm.

A human society will harvest the fruit of the previous epoch. It will be one in which the squirrel hoarding nuts, the beaver building his dam, the feverish toil of the honey bee, will no longer serve as types of human endeavour. The earth will afford unending scope for man's inventive genius, but labour upon it will be a free activity, lovingly expressive of sympathy between the microcosm and the macrocosm. The artist and the craftsman are already aware of this. The iron, the wood, the delicate flower, all have their vibratory relation with man restored to innocence. He will again have dominion over every living thing, for all of them are corporate in his very being, and he knows them in knowing himself.

Some dim perception of a relationship which is also a conquest shows like a faint dawn in the extreme sensitiveness of the modern physique. It is almost wholly pain, from its extreme contradiction to the order of the world and to the momentum of the past in his nervous system. But it is a true dawn, herald of the day when a human society shall create the world in its own image. And who shall say it is far away? The rising of the sun is always a glorious leap, sudden, a miracle.

"Despite the influence he exerted on the Church during the whole of his career, Archbishop Davidson remained a shadowy figure to the public at large until the General Strike of 1926.

"He then emerged into the open and played a vigorous and statesmanlike part in the cause of peace which surprised many who did not know the strength of his character.

"On his retirement the King conferred on him a barony—again unique in the history of the Church—in order to enable him to continue to sit in the Lords."—*The Star*, May 26.

Drama.

Der Lebende Leichnam: Globe.

No better practitioners could have come into consultation for the health of the London theatre than Messrs. C. B. Cochran and Maurice Browne. Their first prescription is a genuine international season, opened by a team of German players led by Moissi, to be continued with the Pitoëffs and the Japanese Players. Whether or not the general public crowds to these examples of the work of other countries, all those interested in acting, production, and staging ought to make certain of seeing them, and not be deterred by any anticipated difficulties of language. Tolstoy is not, of course, held in general high esteem as a dramatist in England. Apart from his work being usually produced in what may be called the lugubrious style—which characterises Russia in the English imagination—England favours the amoral and materialist, rather than the ethical, conception of tragedy. In the English imagination Fedya might have committed suicide because his affairs were past mending, but not to render others happy. It might be done in England, but nobody would believe it. These German actors play "The Living Corpse" believing in it. Without considering Moissi for the moment, one would not expect the characterisation in an English production to display anything like the same high vitality. As a result of this, and also of the beautiful and original modern German technique of staging, from which London, with the exception of Mr. Peter Godfrey, has learned so little, the play becomes first-class theatre, and the ethical solution of Fedya's situation goes through naturally.

Moissi was discovered by Reinhardt, who, the programme says, championed him against all the critics, until he became the leading figure of the Middle European stage. One of his detractors is reported to have said that "Moissi is not an actor, he is a tenor," the programme note agreeing that, even in his most realistic roles, his art seems more the singer's than the reciter's. Moissi, it may convey something to say, sings with the speaking voice. He approaches very near to achieving for vocal expression what the weakened moderns are trying to do for literary expression, briefly, to make prose, the medium that fate and the times force upon us, do the work of poetry; and to express complex, mixed, emotions, entangled with backgrounds and foregrounds of various impulses and feelings, all together, and not merely emotions first refined and simplified, often artificially, before expression. "He invests," the programme note says, "the most casual and colloquial utterances with the quiver of poetry, rich in imagination and free of padding or rhetoric." While this is true also, there are qualities in Moissi's acting which render one too conscious of him. He does not play the character as not objectified. "Redemption" is not an alternative title for the play as Moissi renders it, since the audience is allowed to see Fedya not with God the Father's judgment-day vision, but only with the Mother God's night of forgiveness vision, as a pathetic and beloved vagabond. It is as if Moissi, instead of acting for the audience, makes love to it, practises sorcery on it, and seduces it. There seems no other reason why everything is arranged for him to face the audience nearly all the time, and far more than necessary; why he faces the audience almost throughout a scene in which he converses over a table with Mascha at his side and at times almost behind him. The magic is, nevertheless, of great power. The whole team is excellent, two magnificent performances being given by Hedwig Pauly and Charlotte Schultz as Lisa's mother and Lisa respectively.

This drama in ten scenes is, of course, more a

staged novel in dialogue than a play. The method of staging utilises the technique of stage, film, and novel, to bring out the spirit of the work in the form in which it is. With only one background, the distribution of light turns the stage into a dining-room, the Gipsy's quarters, Fedya's lodgings, a restaurant, a tavern, the ante-room of the Law Court, any place required, poor, rich, or official. One article of furniture illuminated suggests the whole building. Emphasis is distributed in flow as in novel-form by increasing and decreasing the illumination in various parts of the stage. Scene-shifting is almost reduced to putting the overhead lights into the right position for the action of the next scene. The "fourth wall" convention of the stage ceases, as it ceases in the novel and on the screen, to operate. Attention is directed to the right quarter with the minimum of fatigue to the audience and the maximum understanding of the play's continuity. The proportion of interest between character and environment is regulated very simply. The shortage of means in Germany after the war resulted in the discovery of ways of appealing to imagination with very little of detail representation; it necessitated the scrapping of all that in England persists as a sort of theatrical rococo, and confines the scope of the English stage within, by comparison with the light and shade stage, very narrow limits of expression.

The Last Chapter: New.

Alongside the Cochran-Browne combination to tickle the fastidious palate of the sophisticated, the Famous Players Guild, Ltd., is attempting to re-store the actor-managers to their thrones on the ground that, whatever the faults of the actor-manager regime, London had then a far better theatre than it has had during the republican interregnum of the business-men. "The Last Chapter" is the Guild's first, with Owen Nares as the actor-manager, and Mr. Reginald Denham as producer. The play is likely to be popular. It begins with a prologue in which the dead body of Victor Gresham, a novelist who made best-sellers by describing his amours so intimately that his mistresses' husbands and fiancés were able to recognise them. To the police and the audience it looks like suicide, but audiences are not so simple as policemen, so that those who fancy themselves as amateur detectives were at once on the scent. After the prologue the play doubles back to one o'clock of the morning before Gresham was found, at a party to which all the mistresses except one, who turned up of her own accord, had been invited. The audience sees all that happened, and picks up any clues it can. For my part I could see none, and only one trifling weakness at the end in the entire network. I was completely surprised. While the mystery will attract the people, the play would have been better to me without it. Mr. Reginald Denham creates character in everything he produces. Those who remember his Charley Peace production, for example, will remember that he made a living character out of every member of an enormous cast, including some who appeared for only a minute or two. The result was not a crime record but a human play. He does, as far as the presence of the mystery will allow, as much for "The Last Chapter." While Owen Nares, as Gresham, performs the deception on the world's youth of making them fancy that acting is easier than falling off a wall, Mr. Denham confirms the deception by his production of the other nineteen members of the cast. With the crowd of mistresses collected in one room there is only clean draughtsmanship and solid portraiture, with everything clear and nothing overdone. Given such character-acting as Joyce Kennedy's Nan Fitzgerald, heroine of the first novel, who had gone to drink, dope, and the devil, as a sacrifice for art's sake, and Kay Hammond's Foxey Dennison, who threatened a suit for

damages when she saw herself as the reading public saw her, one is ready to tolerate a mystery, and wait contentedly for the solution until the end.
PAUL BANKS.

The Screen Play.

Loose Ends: Regal.

It is as great as it is an unusual pleasure to be able to bestow almost unstinted praise on an English film. "Loose Ends" was given almost nothing in the way of advance publicity, but it is one of the most creditable productions for which British International Pictures have yet been responsible, and is incomparably better than most of the recent much-boomed emanations from Elstree. Here is an unusually good talkie, which is something more than photoplay, although lacking the fluidity of the kinema proper. That it should be more than a photoplay is the more remarkable since it has been adapted from Dion Titheradge's stage play, which accounts for the quite unusual excellence of the dialogue. Incidentally, the nature and treatment of the subject render 100 per cent. dialogue not merely desirable, but virtually essential.

The acting is unequal. It is a delight after the flood of American talkies to hear the English of Owen Nares, but his acting is more of the theatre than of the screen, while his characterisation of the rôle appears unconvincing to me. Edna Best is in the main pleasant and finished, but entirely fails to rise to the heights demanded in the big emotional moments. These two players demonstrate again the very great mistake that English producers and directors are making in their obstinate reliance on stage actors and actresses of established reputation and popularity, instead of taking a little trouble to find, and if necessary to train, men and women suited to the technique of the screen.

Another instance in the same film is provided by the casting of Sybil Arundale, a finished actress, who is here far too stagy, and too good theatre that. The characterisation of the woman journalist whom she impersonates is, by the way, a libel on English journalism, even on the so-called journalism of the gossip-hound. In a minor degree, Donald Calthrop's news editor is also libellous to the profession; he might in real life sacrifice his friends for a front page scoop, but he would not be caddish about it. One has long ago abandoned the hope that any dramatist would ever depict a journalist who was not an outrageous caricature, but there is no reason why the screen should not be a little more true to life, especially in view of the number of ex-journalists who are now associated with the English film industry.

Miles Mander is, as usual, finished, but it is a pity that he can never forget, or be permitted, to be anything but sinister or sardonic. Gerard Lyley, with whose name I have not hitherto been familiar, is responsible for a clever study of a lounge lizard. Mr. Lyley should do well on the screen if Elstree does not follow its habitual practice of refusing to recognise new talent.

The outstanding feature of "Loose Ends" is another newcomer, Adrienne Allen, who steals the picture from all the other women players. She is that excessively rare thing, an English film actress who can act, and this sincere and sympathetic impersonation is a distinguished achievement. Every nuance is just exactly right. Miss Allen is the best actress whom the English screen has yet introduced to the public, but in spite of the unanimous praise given her by the critics, and the evident approval of the Regal audiences, no English producing firm appears to be willing to give her fresh em-

ployment, let alone to realise the birth of a new star.

Casting is, of course, one of the great and notorious weaknesses of the English film industry, due not only to the stupid preference for recognised stage players, regardless of their suitability for the screen, but also to an almost incredible apathy. Hence Hollywood, which has already absorbed so many of our best film actors, as Berlin has also done, has of late attracted Clifford McLaglan (whose brother Victor had to cross the Atlantic for recognition), Miles Mander, John Stuart, and Jameson Thomas. I trust Miss Allen will not join them, but that fate appears inevitable unless someone can put a dose of dynamite into Elstree.

This Mad World: Empire.

William de Mille's characteristic mixture of propaganda and melodrama is well illustrated in his latest production. "This Mad World" has great fluidity, and its technique is, on the whole, more that of the silent film, although it is all-talking. It would have been much better in silent form, or as a part talkie, especially as the mixture of languages and accents creates such an impression of unreality, and in places of absurdity, as largely to destroy the atmosphere of an arresting and unusual screen play.

DAVID OCKHAM.

Reviews.

The Pathetic Fallacy: A Study of Christianity. By Llewelyn Powys. (Longmans. 5s.)

"It is a simple matter," says the dust-cover of this book, "to say that the basis of Christianity is so unreasonable that it could not be accepted by any intelligent person of modern ideas; but it is another thing altogether to set down arguments which that modern intelligent person will find convincing." It is indeed, and it is only the first of these two things which the author of this sketchy and rather naïve little book seriously attempts to do. Argument of any kind Mr. Powys scarcely ever embarks upon; for him "Christianity is but a dream of savagery and pitifulness," and one cannot argue with a dream, one can only exhort those indulging therein to awaken from it and reproach them for yielding themselves to such illusions. This Mr. Powys does in the course of an erratic outline of Christian history, decorated by a recondite vocabulary and a rhapsodical style. ("A black magician he was, but Oyez! how he could blow the bugles of the Orphic mystery when he so wantonly willed!"—this of Saint Paul!) One's attitude to such a book as this is inevitably governed by one's preconceptions on the subject with which it deals; and Mr. Powys (who was once a contributor to these pages) may reasonably count it a misfortune that in the case of *THE NEW AGE*, whose contributors are of all religions and none, his book should have fallen into the hands of one to whom Christianity is not a pathetic fallacy, but a majestic reality. Let me then hasten to say that, granted Mr. Powys's position, there is little that the orthodox believer can complain about on the score of fairness in this book. Mr. Powys handles "the legend of the Resurrection" with impartiality ("It is impossible to hold the theory that the rumour was the result of a deliberate invention. This religion could not have grown out of a conscious deception"); is just in his exposition of the heroism and purity of the early Christian communities, and treats the figure of Jesus Himself with understanding and in some respects real penetration (e.g., in a fine passage on pp. 15-16). The book contains some interesting *dicla*. "Virtue is intelligence, is generosity, tempered by discipline . . . the habitual exercise of reason detached from self-interest"; it is certainly more than these things, but no less certainly it must include them, and not be equated with the "good intentions" which are all too commonly taken to suffice for it. "Just as having shown the old gods to be fictions," said another opponent of Christianity the other day, "we have still to come to terms with the needs that created the fictions, so having revolted successfully against authority, we have still to cope with the results of our own success." To these supposed needs Mr. Powys has nothing to contribute. He sees only "dim uncertain shadows moving across apparently solid margins of beauty and terror, with below and below again, in cold and dispassionate causation transforming and retransforming all matter. . . . If purpose there be it is in no way con-

cerned with us . . . there is none to save." This attitude may or may not be a fallacy, but pathetic it assuredly is. Yet in making no effort to put anything in the place of the Christianity he would depose Mr. Powys's instinct is correct. For there is nothing to put.

M. B. R.

Hamlet and Don Quixote. By Ivan Turgenev. (Henderson's, 66 Charing Cross Road.)

Unaware that any translation existed in English of Turgenev's essay on "Hamlet and Don Quixote," Mr. Robert Nichols has made a free one from the French. Had he been aware of the earlier translation he doubts "whether he would have stayed his hand, since we can afford to have more than one translation of so admirable a work." Immediately after saying this, Mr. Nichols, in all humility, does not find himself in entire agreement with Turgenev's views of Hamlet. Turgenev considered Hamlet incapable of love, too self-centred for it, whereas Mr. Nichols believes that Hamlet genuinely loved Ophelia, in spite of the bombast about his love, which Hamlet used by the graveside, to which Turgenev refers. I am with Mr. Nichols. Turgenev's essay delighted me wherever it treated of Don Quixote, and often roused my doubt or disagreement when it referred to Hamlet. That Hamlet, for instance, was in a perpetual state of hesitation is untrue. He hesitated about one thing only, the killing of his uncle. About cutting off Ophelia, insulting and, later, killing Polonius, killing Rosencrantz and Guildenstern, and fighting Laertes, not to mention other examples of his temper and impulsiveness, Hamlet showed no hesitancy. His impotence was specialised. That Hamlet despised the crowd, or, rather, pretended to despise everybody more usefully employed and happier than himself, fits with his playing with the suicide idea. "The native hue of resolution sicklied o'er with the pale cast of thought" could scarcely have been the whole temperament of a man whose learning was surpassed by a swordsmanship that justified nonchalance when a swordsman with a reputation challenged him. Hamlet was one of those who, fearing at heart all contact with the world, abuse everything that threatens or promises to absorb them in it, and who at the same time perfect themselves in all the arts of self-defence for the sake of their solitary supremacy. The man who despises tennis goes in secret to a coach and comes out one day to humiliate the enthusiasts. It is excessive self-esteem and not a deficiency of it, as Turgenev says, that leads to such conduct. On Don Quixote Turgenev is in a more fertile place. One analyses Hamlet, tries to probe why he made himself miserable: one loves Quixote. Quixote's explanations of the unhappy outcomes of his adventures are evidence of true humility, the humility which is always yet never defeated. Hamlet is a creature, a specimen, a character; but Quixote is a creator, a spirit. His illusions are all the myths on the illusory strength of which worlds are made, the mirages for which voyages are accomplished. Turgenev quotes of the death of Quixote, "All is vanity." The spirit of Quixote kindles new fire for going on with it, even when one knows that all is vanity.

Morgan in Jamaica. By Philip Lindsay. (Fanfrolico Press. 15s.)

This is perhaps the most attractive production of the Fanfrolico Press that I have yet seen. Fifteen shillings is a lot to pay for thirty pages, but there is better value in this than in many "collector's" prices. Mr. Lindsay's short account of the great buccaneer, told as by an eye-witness, is a good piece of dramatic writing which does justice to a colourful subject, perfectly suited to the characteristic Fanfrolican admiration for virility and guts. The illustrations and the printing are in keeping.

"Fourthly, Mr. Kitson ignores entirely the beneficial results of deflation in Britain: (1) London has managed to retain her position as the financial centre of the world, and consequently, will have the benefit of banking commissions, etc. (2) The sterling bill still possesses most of its pre-war value in the eyes of foreigners. (3) We have the satisfaction of having kept our word from a currency point of view by returning to the old par. (4) English industry is at least on a sound foundation, by having a sound financial system. (5) The interest payable on over £4,000,000,000 invested abroad is, when payable in sterling, paid in full value pounds, not in depreciated pounds."—From a letter signed James Church in *The Bank Officer* for May, 1930. This is a classic. Every beneficial "result" enumerated relates to something immaterial.

New York, April 17. Details of the transaction by which the Radio Corporation of America takes over the wireless manufacturing facilities and patents of the General Electric Company and the Westinghouse Electric Co. were divulged

to-day and, at the same time, while the Senate was hearing demands for investigation and prosecution of the alleged radio trust thus formed, difficulties in the path of any such prosecution were also brought to light. Under the arrangement announced yesterday, General Electric and Westinghouse will obtain control of the 6,580,375 new shares which the corporation is issuing. These combined with the stock in Radio Corporation of America already held by these companies, will give them full joint control. . . . The attack was led to-day on the floor of the Senate by Senator Clarence C. Dill, Washington Democrat, who charged that Young, through his affiliations with the three companies, was seeking to form a "world-wide radio trust." He said that it needed but one more step to attain its end, and that step was control of the International Bank in which Mr. Young is a moving influence, and he intimated that all these recent mergers had manifested considerable interest in connection with the Young Plan. "With this deal," said Senator Dill, "Young is now in a position to connect with the World Bank. There has never been anything like it in the history of mankind." Then he added: "It will certainly lead to world-wide control of public opinion through the agency of the radio because the Radio Corporation has exclusive contracts with all the Governments except Russia. I refuse to believe that the President has endorsed this merger," said the Senator. "President Hoover has always been an opponent of a radio monopoly, and I resent the implication that he approved of the scheme."—*Chicago Tribune*, April 18. (*Our italics.*)

[The following letter was received by one of our overseas readers from a well-known lady economist.—Ed.]

I am sorry that owing to exceptional pressure of work last term your letter of August 10, enclosing a pamphlet on Major Douglas's schemes, has remained unanswered for a quite unconscionable period. I hadn't meant to be so discourteous, but I had no time at the moment, and your letter was placed in a "waiting" folder and unfortunately overlooked until to-day. As a matter of fact, I have read Major Douglas's first two books and discussed them almost ad nauseam with W.E.A. classes. One class of mine some years ago at the old Y.M.C.A. * * * used, I was told, to remain arguing about the question until after midnight; and I differ from most of my fellow economists in thinking there is just a grain of meaning in them. You will excuse my saying that Major Douglas was a very ignorant man—he shows his ignorance by his complete failure to understand the difference between pre-war and war finance and by never mentioning that the latter was responsible for a disastrous rise of prices—who has got hold of an aspect of the situation which most people have ignored. But his concrete proposals are ridiculous, and would only result in inflation like that of Germany and Russia. Frankly, I have never understood his little equations, and lengthy discussions with at least two ardent supporters in * * * have left me still unconvinced that there is any real meaning in them. I don't know of any Universities which have adopted Major Douglas's books as text-books save Sydney, and there only for a time. The book by Foster and Catchings which you name is in quite another category, and we have it in the College library. My colleague is particularly keen on it, I believe.

Still, I believe there is just a small grain of real significance in the Douglas theory. It is expressed best among writings which I know in Sir Oswald Mosley's pamphlets prepared for the English I.L.P. But in my view the "Quantity Theory of Money" is proved up to the hilt, and any schemes for keeping purchasing power level with production and distributing it in such a way as to keep consumption level with production must take account of it. I would rather myself build on Irving Fisher's work than on any other economist working now.

It would give me much pleasure to meet you and discuss the subject generally, though I could not discuss it on the Douglas assumptions, which seem to me nearly all wrong—not absolutely, as most economists think. P.S.—Another mistake of Major Douglas's is in failing to see that money circulates. It buys not merely the article for whose production it was paid in wages, but buys other things for the man to whom it was given, and then for the man to whom he paid it away, etc., etc. That is why the inflation resulting from his schemes would be so dangerous.

"The youth who can solve the money question will do more for the world than all the professional soldiers of his time."

"Don't be afraid of the changing order." "We are not living in a machine age. We are living in a power age. The truth, when it comes, will be a great

surprise, to see how near we have been to it all the time."

"If we have established a money system which can be manipulated to the hurt of multitudes, it is as certain as fate that the system is doomed. The very discovery of insufficiency is its death warrant."

"War will not be abolished until its roots are cut; and one of its main roots is a false money system and the high priests thereof. The fact that pacifists are left in peace is proof they are not attacking the real cause of war. If pacifists spoke the truth they would not be petted as they are to-day, theirs would be the hard lot of the martyrs of truth. The whole secret of a successful life is to find out what it is one's destiny to do, and then do it."

"If a man is right he need not fear to stand alone; he is not alone; every right idea that is put forth has many silent adherents."

"We should have a currency system which cannot be made the cat's-paw of manipulation."

"Now it looks as if financial engineering will come round to something very like ordinary engineering methods."

"We shall see great improvement when we apply engineering methods to finance."—From *My Philosophy of Industry*. (Henry Ford.)

LETTER TO THE EDITOR.

THE LATE JOHN WHEATLEY.

Sir,—I desire to express my regret with you in memory of "John Wheatley." I am sure Social Creditors will miss his movements in the House of Commons. He was a man professing nothing, but doing much. Your own conclusions, Mr. Editor, were absolutely correct; his deliberations were "New Economic" from "The Douglas" analysis. If any Social Creditor has any doubt, let him listen-in to my conversation with the late John Wheatley. At last election, Wheatley and his wife and girl along with George Buchanan, M.P., of Gorbals Division, were coming along the street from a meeting in Errol Street, Buchanan's constituency. When I met them I spoke to Buchanan and told him I should like a word with Mr. Wheatley if he was not in a hurry. The same always, Wheatley obliged. After reminding him of some of my questions, I stated that I was certain he could have answered them more fully and completely. He told me he could, but, he said, "You, as a 'Douglasite,' surely know that would have gone beyond the comprehension of my audience." I then said we were surprised at the time when he took a back-seat. He eyed me, smiled just a little, but said nothing. I thought he was going to leave me at that, and so I asked outright what was his opinion of the "New Economics" from the Social Credit point of view. He replied: "We must be going; but what I would advise you fellows with the Douglas proposals is to go on with your propaganda work, to flood the country with the ablest speakers, to take up the debate where and whenever possible; to make your presence felt all over immediately you do start, and the country will rise to it. And the Government will be forced to action." No mistake about the calibre of the Social Credit he meant. He said, "You fellows with the Douglas' proposals"

That was on Sunday, May 19, 1929, in Errol Street, Glasgow, S.S., while his wife and girl and Mr. Buchanan and other friends waited for him nearby.

I never moved from the spot until I took note of every word, which I easily remembered, and, I hope, is word for word correct.

So may our movement be guided by his words—the last words I heard from John Wheatley.

Tens of thousands of people paid tribute to our dear friend, John Wheatley, and I was very pleased, Mr. Editor, to see that you acknowledged, without any hesitation, our Socialist friend as our Social Credit advocate.

J. W. H.

Glasgow. May 26, 1930.

ANSWER TO CORRESPONDENT.

JEWIS AND FINANCE

To A. G. L.—Your conclusions are correct. We are not anti-Jew in our philosophy. Whether the Jews intend the Gentiles ill or not is of much less importance to us than the fact that the price-system automatically works us ill, and until altered will continue to do so, whether Jews or Gentiles hold the balance of administrative power in it. At the same time, Jewry has its significance in public affairs, and therefore must be considered as a factor to be located and measured if possible. That is why we occasionally hold what looks like an "Anti-Jew Flag-Day." The best method of explaining our attitude is by way of a fishing analogy. At a given time every day the biggest fish at the bottom of the sea rise to feed. Above them the next biggest also begin to rise, partly in order not to be eaten, and partly

to eat smaller fish themselves. And so on upwards in diminishing order of size, until the smallest fish of all arrive at the surface. These little fish are dual victims: they have to dodge attacks from the hidden fish next below them, and the gulls which suddenly appear from above. The experienced fisherman therefore *watches for the gulls*. When they appear, it is time to launch his boat. Where they hover is the place where he must drop his net or sink his line. . . . Now, as you know, THE NEW AGE is after the big fish—the bankers: and the reason why we are interested in the Jews is that they function for us in the same way as the gulls—they tell us when and where the bankers are rising to feed. So when you see a flock of Samuels, Montagus, Isaacs, and the like gracefully circling over the political waves, you can be sure that the Normans, Morgans, Baruchs, and the like are ponderously moving somewhere below in the financial depths.

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