

THE
NEW AGE

INCORPORATING "CREDIT POWER."

A WEEKLY REVIEW OF POLITICS, LITERATURE AND ART

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NOTES OF THE WEEK.

"The issue by the Vatican City of its own coinage has been deferred, says the *Rassegna Numismatica* of Rome, for complex reasons arising out of the importance and delicacy of such an event in the financial world, with the natural repercussions of its circulation, not so much for gold as for the other metals."—*The Universe*, June 6.

This announcement is related to an issue of vital importance, not simply to the Roman Catholic Church, but to Christendom itself. A person of average intelligence would doubtless consider it a matter of comparative unimportance whether the Vatican instituted a coinage or not; and would undoubtedly be puzzled to understand the above obscure references to "complexity," "delicacy" and "repercussions." Up to a point his view would be correct, and his puzzlement justified. For throughout the financial world of to-day metallic coins play such a microscopical part in financial operations that the question of whether to institute a Vatican Mint or not is a matter which could safely be left for the Catholic Church to decide according to her own view as to its usefulness as an instrument of Papal policy, without reference to the opinions of people outside the Church.

But the issue does not reside in this limited field of survey. It arises from the fact that a Mint is the seed of a Bank. It is not the sowing of the seed that has evoked the above subtle hints of danger, but the foreseen inevitable sprouting of the seed. The emergence of the Bank from the Mint is perfectly logical, because whereas the Mint is a mechanism which makes tokens of purchasing-power out of metal, the Bank is one which makes them out of paper. The difference is between a comparatively costly, cumbersome process of extremely limited dimensions, and an absolutely costless and facile process of practically unlimited dimensions. One has, therefore, only to adopt the hypothesis that the Vatican's initial experiment with coins were to prove

successful, to foresee with certainty the later emergence of Papal *Notes*, and ultimately Papal *Credits*, i.e. Papal loans, circulating as Papal cheques, based on the collective productive capacity (muscle, mind and machinery) of the vast number of people owing allegiance to the Pope. That the hypothesis on which this result depends is a correct one can be inferred (a) from the fact itself that the initial experiment is being held up, and (b) from the terminology of the passage in which the reasons are indicated—which indubitably proceeds straight from the glossary of the professional lay banker. The mere fact that people of ripe financial experience are nervous about letting the experiment begin proves that they fear lest the Vatican might make a success of it. To our readers it is not necessary to say that, given the adoption of the new financial policy which we advocate week by week, the Vatican could set in motion forces which would transfigure the economic conditions of human life and thereby enthrone once more in human consciousness every spiritual value which Christendom holds dear.

It is, of course, not necessary to conceive of the Roman Catholic Church being the sole agency of such a transfiguration. It is indeed an ideal which all Christendom could unitedly pursue. And the pursuance of that ideal need in no wise be impeded by existing divergences among Christians concerning articles of faith or forms of worship. The fundamental task of Christendom is to foster and feed mankind's desire for the things of the spirit; and therefore any influence which hampers the performance of that task is something which Christendom must oppose, and actively oppose, no matter from whence it proceeds or whatever the strength of the secular logic on which it rests. Such an influence is operating to-day; and it proceeds immediately from the economic system, and ultimately from the financial system. In a word, the Bank and the Church respectively embody two mutually destructive principles. Either banking policy must be

changed in conformity with a Christian standard of values, or Christian policy must conform (as it has on the whole tended to conform) to the currently-accepted financial standard of values.

The Bank must be attacked in its own stronghold. Its power to impose its policy resides entirely in its control of money, both as a creator of money and as a dispenser of money. Its power to control money, however, is not innate: the power is possessed and exercised because nobody has, until recently, seen any reason to challenge it. The proper people to have uttered the challenge were, of course, the political representatives of the people. In default of that the world must look to the spiritual representatives of the people, and may do so with the more reason since, as articles in this number convincingly suggest, vital spiritual issues are involved. Hence our interest in the Vatican's mere gesture (if that be all it is) towards linking a monetary-mechanism with Christian policy should be easily comprehensible. The gesture, to us, is a portent.

We do not mean that it is in the least necessary or even desirable that any Christian Church should undertake the function of *administering* a monetary system; but it is imperative that monetary *policy* should pass under the judgment of the Court of Christendom. When once the conscience of Christianity approves the purpose and consequences of a monetary policy, the appropriate technique for giving effect to it is properly a matter for trained functionaries. At the present time the Church is not consulted at all; she is even snubbed when she proffers any counsels in respect of economic problems—as witness Mr. Baldwin's contemptuous treatment of the late Archbishop of Canterbury in the crisis of 1926. The Premier's attitude was the natural outcome of the acceptance by Parliament itself of the bankers' doctrine that *monetary policy must be independent of political control*. If the Statesman regards himself as a trespasser in this field, how much more so will he not regard the Churchman? But it is an utterly false doctrine, and produces vicious consequences. A banker is properly a technical functionary, and has no more right to dictate the policy under which he shall function than has an organ-blower to choose the anthem. In the days of the hand-blown organ there was at least the consideration that the wind-pressure required to sustain the power of the full organ might be beyond the blower's muscular capacity; but in these days of automatic wind-mechanism no such consideration can arise. Such is the case with the money-system in its relation to the economic activities of production and consumption. Applied science has constructed a magnificent assemblage of pedals, manuals, stops, pipes and reeds capable of filling the world with the music of economic security; but the art and skill of the industrial composers and executants is rendered practically null and void merely for the want of air. The organist has to play with one hand only, and only on the top manual, solely because the operator of the wind-mechanism prefers to hear the faint chords of economic insecurity, and regulates the wind-pressure accordingly. It is a wanton interference in Divine Service—it is a negative form of brawling. In an economic emergency comparable to this, it is natural that people who are not financial experts will nevertheless show a disposition to "interfere" with those who are. Inefficient obedience is infinitely preferable to efficient disobedience. During the General Strike company-directors drove trains. And today, in face of a virtual bankers' strike, the Vatican has to consider the founding of a Mint. And, for the rest, in every plane of economic activity there are unmistakable evidences of a growing disposition to challenge the bankers for a reasoned justification of

their policy, in default of which a new policy must in the end be imposed upon them. It is with the view of hastening that end that we exhort the Churches to endorse and support this challenge.

This may be objected to on the principle that the Church must not intervene in temporal conflicts. Up to the year 1919 it was a wise principle, for the reason that nobody could think of any point or manner of intervention which would not commit the Church to *taking sides* over issues on which both protagonists could claim to be *equally in the right*—at any rate within the existing framework of capitalist society. Take the commonest conflict of all—the just demand of, say, 1,000 employees for, say, 2s. each a week more, in order to live a decent life: and the irrefutable answer of the employer that his business could not stand a new expense of £5,200 a year. The dilemma of the Church was complete. But in 1919 Major Douglas published the results of his investigation into the nature of financial credit and its relation to production and prices. The effect of his announcement was to demonstrate that such dilemmas as that above cited were avoidable. It is now possible for the Church to intervene in the temporal conflict with the united support of her adherents, whether rich or poor, behind her. Destitution can be abolished and poverty relieved by a method which does not involve levying new taxes on, or begging new charitable contributions from, any member of society. The method is purely technical: it consists in creating and dispensing credits and calculating prices according to a new, ascertained formula. This is not the occasion to attempt a demonstration of how the method attains this object. Literature on the subject may be consulted elsewhere. The immediate question is this: Does the conscience of the Church approve the ends now known to be attainable under the new credit-policy? If so, the Church is in a position to assume the leadership of a united people in demanding the adoption of that policy. The power of directing temporal affairs has been usurped by the banking interests, who, in the pursuance of their policy, have passed invalid sentences of outlawry on large and increasing sections of society. It is the high mission of the Church to afford these sanctuaries

SOCIAL CREDIT.

The following are the three principles which must govern any reform of the financial system:

1. That the sum of all the cash credits possessed by the population of any country shall, at any moment, be equal to the collective price of all the consumable goods ready for sale in the country at that moment.
2. That the credits required to finance production shall be new credits relating to new production; they shall not be supplied out of savings.
3. That the distribution of cash credits to individuals shall be progressively less dependent on employment. That is to say, that the dividend shall progressively displace the wage and salary.

Major Douglas's Proposals embody a method of administration which will give effect to these three principles simultaneously.

The Social Credit Movement exists to perform two functions: (a) To propound the principles so that their necessity or otherwise may be decided by reference to economic considerations; (b) to explain the method so that its efficiency may be recognised by reference to technical considerations.

The two questions are distinct: (a) Is the policy sound? (b) Is it feasible? The public, not the expert, has the right to answer the first; and the expert, not the public, is competent to answer the second.

For ten years the Movement has vainly asked authoritative banking experts to give in public a reasoned pronouncement on the feasibility of the Social Credit proposals.

The Movement now asks the support of influential persons of public opinion, who, while not necessarily guaranteeing the feasibility of Major Douglas's Proposals, will demand the required pronouncement on it.

Lambeth and the New Age.

By Maurice B. Reckitt.

The year 1926 marked a turning point in the history of English religion. Ecclesiastical leaders, in a moment of social crisis, finding principles which they have proclaimed as "fundamentally Christian" brushed aside by the action both of plutocracy and of the Government of the day, withstood them both. The late Archbishop of Canterbury, with a gesture of which mention was carefully omitted from the recent conventional obituaries, "after full conference with the leaders of the Christian Churches in this country," not only challenged the Government pronouncement that the General Strike must be fought to a finish and that all negotiation was impossible, but advanced "as the basis of a possible concordat a return to the status quo," departing from which had been the occasion for provoking the strike. The significance of this gesture is best shown by the Government's attitude to it. Not only was the proposal contemptuously disregarded, but the appeal was not even allowed to appear in the official Government organ; while the Primate of the Established Church was slightly referred to in Parliament as an "irresponsible agency." Never, on the contrary, had he acted more truly as a responsible one. English religion under his leadership, so far from taking its tone from the representatives of the secular Press, intervened in a social crisis—that was also a moral crisis—primarily to defend the ideals of justice and reconciliation, but by implication to challenge the blasphemous assumption that the masses' standard of living must be reduced in an age of plenty to meet the requirements of a theory of scarcity, and those few who profit therefrom. Though the gesture had no concrete results, it struck the imagination of the workers, who came at last to feel, with a joyful surprise, that the Church was not necessarily incapable of understanding their aspirations and sympathising with their grievances. The Church of England in particular came nearer at this moment to popularity with the labouring classes than at any time since the Reformation; and perhaps for the first time in English history, poor men cheered an Archbishop in the streets.

Nor did the matter end there. A further intervention was undertaken later in the summer when ten of the Bishops combined with some of the leading Nonconformist divines to seek a humane solution of the miners' lock-out. Though they were severely snubbed by the Government, itself too helpless or callous to take any initiative, a church paper, commenting on the episode, found it "extremely cheering." "No longer," it added, "is the Church a mere wing of the Conservative Party; it has arrived at having opinions of its own, and the courage of its opinions. . . . Whatever the newspapers and the politicians may say, there is a very general feeling in the country—not among the working people only—that the churches have done the right thing."

It is important to recall—and especially at this moment, when the Bishops of the Anglican Communion all the world over are assembling once again at Lambeth—that these interventions were not mere humanitarian gestures or sentimental appeals. On the contrary, they arose logically, if not explicitly, from that proclamation of the principle of a "Living Wage" to which Lambeth has so deeply committed itself—no "bare subsistence wage," but "sufficient to live a decent and complete, a cleanly and noble life," such a wage to be "the first charge upon industry," and to be earned in "reasonable hours." Such, indeed, can fairly be taken to represent the common demand of instructed Anglican opinion. But this demand was definitely formulated in the boom years preceding and subsequent to the Armis-

tice. It seemed "reasonable" enough then. By 1921 very different conditions were prevailing, and the Federation of British Industries, the spokesman of capitalist industry, issued a pronouncement which challenged the principle of the "Living Wage" unequivocally. "The real and ultimate test must always be what industry can bear," said this manifesto; "it may be necessary . . . for the workers to accept a money wage which may, till trade revives, give them a lower standard of living . . . even than their pre-war standard." Here, then, was a challenge to organised religion. Its "fundamental principle" had come into collision with plutocracy's "real and ultimate test." It had been lightly assumed that a "reasonable" demand was also a "moderate" demand, but under the irrational conditions of contemporary economics this does not follow. It is, moreover, no part of the essential purpose of modern industry to provide "livelihoods." Yet apart from "employment," anything approaching an independent livelihood is nearly impossible for the great majority. Plutocracy will guarantee neither a Living Wage to those whom it hires nor a living to those for whom it has no use.

Now it seriously behoves the Bishops at this time, and all those who acknowledge their leadership no less, to consider their position in face of this challenge and the realities of the economic situation. From their fundamental intention they cannot retreat. That intention we may reasonably interpret as the demand that social organisation shall become a medium of distributive justice. But the situation of to-day lays upon the Christian leaders the responsibility of reconsidering the statement of the Church's standpoint in two main directions. In the first place the consecrated phrase, the "Living Wage," must be replaced by the far more emancipating notion of the "Living Income." Not only is it improper that religion should link up its ethical demands with so unethical a system of relationships as the wage system involves, but it is becoming evident that no system of rewards for services rendered can be an appropriate medium for distributive justice. The standard of life has no valid relation to the volume of employment. While a sane credit policy would doubtless greatly increase in the immediate future the amount of socially valuable work that could be put in hand, it is the business of invention and applied science to reduce employment on routine processes, and even to-day, with all the vested interests combining to perpetuate the multiplication of "jobs," they are rapidly reducing the need for human agency in mass production. Moreover, it is not as "workers" but as consumers that men are validly to be deemed equal. The reward for services must be separated from the remuneration due to all who enter into the communal inheritance. Not the capitalist wage but the social dividend is the appropriate instrument for implementing the economic demands of Christian justice.

The second direction in which Christian social responsibility requires to be re-stated, though seemingly a less immediate matter, is not less fundamental. It is in the frank acceptance of leisure as the sphere of freedom and joy in a liberated community. It has been the historic tradition of Christianity to preach the duty of faithful service, and that duty will always remain to be fulfilled. But it will no longer require to be fulfilled in a ceaseless continuity of organised toil. In any case, the hideous drive of factory routine characteristic of the last century and a half has been something altogether evil and abnormal. Men had need of hard work to supply their requirements in the days of individual craftsmanship; but even so, the numerous saints days of the "ages of faith" on which no labour was normally exacted remind us that even

without "labour saving" machinery, the average individual knew much more of leisure in the days before the factory than he has known since. But now we are on the eve of a period when "free time" in abundance will be the legitimate inheritance of everyone. And by "free time" is meant true leisure, not the destitute idleness enforced by "unemployment" amid an artificial scarcity. Yet can any fail to see how grave a responsibility such a prospect throws upon the agencies charged with the spiritual leadership of society. Our population has not been bred or trained for the responsible use of "free time," and Christian people may be excused for doubting whether without the inspiration of a spiritual outlook upon the purpose of life, men will make any better use of it than do the majority of the "idle rich" to-day. It is not too soon for the leaders of religion to face all that is involved in the prospect of a community which no longer exists mainly to fulfil the purposes and carry out the orders of a wealthy oligarchy, but, calling upon all available resources, supernatural and cultural, makes ready to shoulder with a joyous energy the full human responsibilities of liberty and leisure.

Religion and Economics.

By the Rev. V. A. Demant, B.Litt., B.Sc.

It has become a matter of no mere academic controversy whether moral considerations enter into economic science at all. A recent book, "Uplift in Economics," has the sub-title: "A Plea for the Exclusion of Moral Implications from Economics and the Political Sciences," and the Bishop of Gloucester has been continually fulminating against pronouncements which, he considers, claim that ethical considerations can over-ride economic laws. So when in 1926 the Church leaders made their bold stand for social justice, they were snubbed by politicians and some episcopal colleagues and told that what was economically unsound could not be ethically considered. Unfortunately no answer was given to this charge. The answer is not that the consequences of economic law can be avoided by a different ethical motive in working with them, but that much alleged economic law is not economic law at all, and that, to take the war into the enemy's camp, economic experts are accepting theories for realities in the interests of a false moral attitude of their own.

When "laws" are produced to-day to explain that the plentiful production of foodstuffs abroad is an economic calamity, and that "if sufficient people go out of business, and if sufficient plant is broken up or dismantled, or put out of action by combinations, this might bring us a little nearer the time when we can have good trade for a reasonable period" (Sir Arthur Balfour), there is a clear case for investigation whether these alleged economic laws are not a rationalisation of a moral attitude which shrinks from the actual conquest of material scarcity and insecurity which modern resources could achieve.

The essentials of an economic situation are simple, and three in number: (1) The material demands of human beings; (2) The bounty of nature to be turned into human welfare by the energy and skill of men; (3) the social arrangement for conveying the results of production to those who want them. Our present condition of economic crisis is the culmination of a confusion between economic realities [(1) and (2)] on the one hand, and a mass of theory concerning (3) which has become attached to industrial development and which is inconsistent with it, on the other. This journal has for ten years pointed out the contradiction between the productivity of the modern world and its distributive money-mechanism. It has prophesied the present collapse of industrialism as due to a technical error in financial theory and practice. This error has a double result:

1. It cannot raise the purchasing power of individuals to correspond with productive capacity, because it cannot break through a vicious circle of inflation and deflation.
2. It distributes purchasing power to the majority only in return for human productive energy expended, regardless of the fact that production is increasingly an affair of mechanical and natural energy.

The consequence is a colossal dilemma: *how to distribute the output of an immensely productive world.*

Christian people have a vital concern in this problem. Apart from the widespread physical and mental suffering to be endured, the dilemma of industrialism makes it more and more difficult to face squarely the direct moral issues of personal, business and political life. In its religious aspect the problem is how far the theories of men are mistaken for (or imposed as representing) laws of Nature. Religion is concerned with "rightness" in the whole of life. A Christian Sociologist, like Aquinas, if faced with a social situation leading to suffering, strife and despair would first ask, What are these people trying to do—is their collective effort according to nature, is it rational, is it not self-contradictory, is it technically possible? If these conditions are found to be denied the cause of the trouble is diagnosed as ignorance, blindness, short-sightedness, pride, or as a policy imposed by some invisible power. Only if the attempted policies are seen to be rational, not contrary to nature or the rules of arithmetic, does the second question arise, Are the motives of the people wrong?

The witness of the modern church to social health has been largely ineffective because religion has been confined, after the manner of the Pelagians, to questions in which *directly* moral issues are raised. But religion is as much concerned with truth as with goodness—and it is on the score of truth that the financial theory will have to be judged—that theory which *claims* to reflect the social achievements of the community, while flagrantly under-representing that achievement in the inadequate purchasing power it allows to the community. All efforts to mitigate the resulting human disaster by moral appeals alone have therefore failed to convince the world of their reality.

While the resolving of such a contradiction between industry and economic theory is a technical and not a moral task, its existence is an ethical and social issue of the first magnitude. You cannot moralise a contradiction. But if you are ignorant that a social situation involves contradictory policies you will be looking for wrong ethical motives for these the moral perversions and poisoned relationships that spring from the strains imposed by the social dilemma. Your moral principles will then be despised as a meddler adding one more link to the chain of difficulties.

The social problems of the modern world are becoming more and more part of an economic dilemma. Men are not more concerned with economic issues or more materialistic—but the economic aspect of life calls increasing attention to itself precisely because it works badly. Economics is the most widespread topic of popular conversation. This is not materialism; it is an unconscious desire for spiritual supremacy over a baffling and painful enigma. The placing of economic life in its proper basic place, so that it calls the least possible attention to itself, is the social and spiritual challenge of an age which has achieved all the physical requirements thereof. This is no task for mere moralism—it is a problem of social redemption which is the condition upon which social redemption depend. Individual redemption is the prior task of re-integrating dissociated and conflicting fragments of a human being so that the will and conscience can begin to function. Social redemption is likewise

re-integrate what are dissociated and conflicting forces in social life. Only when that is achieved can social responsibility be a reality. Precisely because we are concerned to bring the whole of social life within the guidance of ethical and religious principles, we must attack the bad science, bad logic, bad sociology which underlie the contradictory policies of the physical and distributive sides of modern industrialism.

"What is ethically wrong cannot be economically right," wrote the former editor of this journal. Those who most vehemently bid us to remember that economic facts are very rigid, actually do so in the interests of a believed situation of material scarcity. "You cannot get more than a pint out of a pint pot"—and the practical sequence of this is the injunction that if men desire more necessities or comforts the only obstacle is their unwillingness to work for them or to save and invest that they may be produced more plentifully. This theory of scarcity is economically false. Unemployment means nothing else than that a community is living below its possible standard of living or working harder than it need. There are now not only nearly two million unemployed in this country, four million in Germany, six million in America, but also a fall in world prices which, far from being a means of improved trade, is affecting the ruin of thousands of producers. Quantities of foodstuffs and raw materials in the non-industrial parts of the world are being destroyed or held off the market, and the plant of industrial nations is partially idle because of inability to sell at home or exchange their possible output for those more natural products. The world is not short of either foodstuffs, raw materials, labour, machines, or means of transport. It is only its buying and selling mechanism that is being clogged, and it is clogged to such an extent that a widespread restriction of output is advocated and practised. While the world as a whole is embarrassed with productive capacity, millions are prevented from satisfying their dire need for the production unless they still further. The artificial scarcity induced by a financial theory affecting incomes and prices is upheld by a social and ethical philosophy which has never yet faced the significance of the machine and science applied to production. This has been obscured and evaded for over a century by a theory and policy which kept men working on much the same scale as before to supply a foreign market. Now that that market is contracting we have to face for the first time the fact of the machine and applied science.

We cannot see what the true human significance of industrialism may be until this dilemma is solved.

Current News and Comments.

If any further evidence were required to demonstrate the futility of politics it has been afforded by the spectacle, during the last week-end, of Mr. Lloyd George, Mr. Baldwin, Lord Melchett, Lord Beaverbrook, Lord Birkenhead, and Lord Rothermere engaging in a wrangling-match in which personalities were a conspicuous feature. Immediately, the quarrel concerns a fiscal question—whether to make the British Empire a single economic unit protected by a tariff against the rest of the world. But the emergence of this question is due to the menacing persistence of our domestic unemployment problem. Now the one factor which makes it a "problem" at all is that the unemployed are denied an adequate income. Their need is not, of course, for money as such, but for certain food, clothes, and shelter that the money would buy. So the "problem" is one of permitting these men to add to industry's stock of goods and draw out a portion of what they make. It does not sound insuperable, does it? On a low estimate the output per man per week under modern conditions must be equivalent to his keep for several weeks—so that his employment should result in additional benefit to society in general. And

coming to the money-aspect of the problem, on the face of it there does not appear any difficulty, because whatever sum he drew from industry as wages he would pay in again to purchase his portion of the goods. Again, and lastly, coming to the banking aspect, there seems no valid reason why the bank should not advance credit to industry for this purpose. In the end all that would have happened would be that, let us say, £3 was lent to industry, paid to the man, received back as revenue, and returned to the bank: the cycle would be complete. Meanwhile the man would have produced, let us say, ten weeks' supply of articles and drawn out one week's, leaving a margin of nine weeks' supplies for the general good. And so on every week. It will probably be replied that while this might be allowed in principle it could not be applied in practice, because banks do not lend to "industry" but to particular business concerns, and that since a man employed by any particular concern would almost never spend his wages with that concern, the money could not be recovered by it and repaid to the bank. The answer is that Major Douglas's proposals include a technical method by which difficulties of this sort can be avoided. So the question of carrying out the principle depends simply on whether it is considered a good one or not. The bankers say *not*; but each of the twenty odd million adults in the country is as competent to return an answer as any one of the fifty or so individuals who run the financial system. Our representative politicians, instead of putting this domestic solution of a domestic problem before their constituents and recommending their adoption of it, are searching over the Empire for the way out, and slanging each other in the process. "The eyes of a fool are in the ends of the earth."

In an article on Unemployment the *Sunday Times* of June 22 refers to the prospect of emergency powers being applied for by the Government. These powers are to compel Local Authorities to put work-schemes into operation. There would be no refusals if the Government guaranteed to refund the cost in full. The compulsion-power is therefore wanted to land Local Authorities with extra costs to be collected locally. So the refusals are natural, and justified. Let the banks pay. It is *their* doctrine that idle men must receive inadequate incomes. So *they* must finance the work or else provide adequate incomes. It is neither the duty, nor within the power, of the non-banking classes to do either.

M. Tardieu recently addressed a meeting in France. According to *La Gringoire*, when he came to refer to the economic policy of the French Government he nonchalantly remarked to his audience: "It is hardly necessary for me to explain to you the principles of this policy. You have the results of it before you [wink], and if you are satisfied with them [loud laughter] you will not want to bother about the principles on which we arrive at them." The "loud laughter" had reference to the fact that in France there is "business as usual"; everybody is "buying and paying"; and there is no unemployment. Every Frenchman saw the subtle dig at "sound financial" England. France will save Europe yet.

All over France a poster is being displayed contrasting business prosperity in France against business paralysis in England. Lord Rothermere reproduces the poster and its contents faithfully, but distorts the moral into an indictment of Socialism, entirely ignoring the fact that the economic policy of the present Government is dictated by Mr. Snowden, the most rigid representative of orthodox finance that the bankers have ever had the luck to discover.

"Mr. Winston Churchill, delivering the Romanes Lecture at Oxford to-day, advocated the establishment of an economic Sub-Parliament. He said that the nation to-day was not interested in politics but in economics. . . . There was no reason why such an assembly should not debate in the open light of day without caring one halfpenny who won the General Election, or who had the best slogan for curing unemployment." (*Evening Standard*, June 19.) An excellent idea—always provided that exponents of Social Credit are not shut out.

Dr. Drummond Shiels, the accredited representative of Britain, made a declaration before the Permanent Mandate Commission at Geneva that the British Mandatory Power had undertaken to advance a Jewish home in Palestine, not a Jewish State. He submitted that it was in the best interests of the Jewish national home that the Arabs should feel that the Mandatory Power was equally solicitous for their welfare (see *Daily Herald*, June 9).

The Bishops and the Banks.

By J. S. Kirkbride.

"Whether the sure way to supply people with tools and materials and set them to work be not a free circulation of money?"

"Whether money circulating be not the life of trade, and whether the want thereof doth not render a State gouty and inactive?"

(*The Querist*. Bishop Berkeley, 1685-1753.)

A recent article in *The Church Times* dealing with "The Shortage of Clergy and its Cure," contains the emphatic assertion that "*the Church must find the necessary funds if it wants the men,*" but gives no information as to the source from which the money is to be obtained. To achieve its purpose the sum to be raised would have to be so large that when capitalised it would yield an income running into hundreds of thousands of pounds—a task verging on the impossible. To expect a substantial increase in annual subscriptions is to indulge in a vain hope; these are more likely to decrease.

In the first place the people who would gladly subscribe are just those who are least able to afford it. Their resources are crippled by heavy taxation and the high cost of living, and their capital, both in land and investments, is being depleted by excessive death duties. With the breaking-up of great estates goes the dispersion of those old families who, with all their faults, were generous, loyal supporters of the Church. As for the "new rich" they are not likely to burden themselves with the cost of training young men for Holy Orders, neither will they overtax themselves to add to the incomes of the incumbents of the parishes in which they live.

The situation is still further complicated by the fact that there is not enough money to "go round." The amount is strictly limited—but of that more anon. A redistribution of incomes as contemplated by socialist politicians and economists would only make matters worse by drying up completely the failing springs of charity, and would almost certainly go hand in hand with the alienation of the Church's endowments and their perversion to purely secular purposes. Unless then some other source of income is discovered than the gifts of the faithful it seems highly probable that the Church's activities will be increasingly restricted, and in many parts of the country-side the bells that have summoned generations to the House of God will cease to chime. It is happening already.

Now it might possibly help towards the elucidation of what appears, at first sight, to be an insoluble problem if it were approached from a different angle. After all it is not "money" that keeps the life-blood flowing healthily in the veins of the servants of God, but the things that money will buy: food, clothing and shelter. It is generally admitted that there is no actual scarcity of these material things—and who will presume to set bounds to the ability of applied science to increase them up to and beyond all human needs? It would seem, then, not unreasonable to suggest that the question raised by *The Church Times* and emphasised by the Bishop of Durham is only part of the larger problem of the faulty distribution and inadequate consumption inherent in an ill-adjusted economic arrangement, of which a distinguished economist has said that its position is so absurd that—

"if we cannot rectify it our civilisation deserves to perish."

What, then, is the root of all the trouble? Why is there hunger and nakedness in an age of plenty, and why are young men with a vocation debarred from serving the Master they love?

The answer is so trite as to be positively banal. It is—lack of money. As the Bishop of Derby said last year when addressing his first diocesan conference on the subject of finance, "with money you can do anything"—an assertion which his Lordship would probably qualify on reflection, but one that was sufficiently true in the circumstances in which it was made, and which also applies here.

What, then, is this all-powerful money? "Money," according to J. S. Mill, "is a machine for doing quickly and commodiously what would be done, though less quickly and commodiously, without it."

A definition is formulated by Major C. H. Douglas in one of his most profound aphorisms:

"Money 'is essentially a mechanism of administration, subservient to policy, and it is because it is superior to all other mechanisms of administration that the money-control of the world is so immensely important.'"

Once that central fact has been grasped the next step to consider is the efficiency of the mechanism and the purpose of its control. Currency can be left out of consideration for the moment, as it is but a minor part of the mechanism of administration. The mechanism we are concerned with is—bank credit. As probably every Bishop attending the Lambeth Conference has, or has had in his time, a bank overdraft, they will doubtless appreciate the words of the Rt. Hon. Reginald McKenna which he used when addressing the shareholders of the Midland Bank on January 25, 1924:

"The amount of money in existence varies only with the action of the banks in increasing or diminishing deposits. We know how this is effected. Every bank loan and every bank purchase of securities creates a deposit, and every repayment of a bank loan and every bank sale destroys one."

Coming from so authoritative a quarter, that definition must command general respect even if it does not secure universal assent. At least, it is enough to justify the inference that the amount of "money" available for all purposes is not limited by some "fortuitous concatenation of circumstances," neither is its existence due to the working of inscrutable economic "laws," but is the im-mEDIATE product of deliberate human action, and as such is liable to suffer from the defects inherent in all things dependent on fallible human nature.

The wider question of the control of the mechanism and the struggle for the financial hegemony of the world underlying it, cannot be entered on here; these reflections must be restricted to the working of the machine; which means asking the plain blunt question: Is it doing its work "quickly and commodiously?" It would be idle to pretend that it is, and folly to assume that the Bishops, once convinced of the existence of the defect, as they must be if they will but bring open minds to the consideration of the subject—can remain indifferent to all the vast issues involved.

Amongst the Prelates assembled at Lambeth are men of great business ability. It is a quality inherent in the Episcopate. In a discussion with the bankers on the "mechanism of administration" they are more than capable of holding their own with the Governor of the Bank of England and the chairmen of the Big Five. Besides, as able coadjutors, are there not those diocesan Chancellors of the Exchequer, the Archdeacons, men of such vast acumen in matters financial, so wily in administration that medieval theologians had grave doubts about their salvation!

It would be a thousand pities if this conference dispersed without a heart-to-heart talk on "the mechanism of administration" between the Lords Spiritual of the Catholic and Apostolic Church and the Lords Temporal of the realm of High Finance.

Christian Internationalism and Economic Realities.

By The Rev. N. E. Egerton Swann.

The "Churches" (to use that regrettably unavoidable term) have undoubtedly, since the Great War, shown a vast improvement in their attitude towards international relations. They are still, however, far from fulfilling in this respect the true requirements of their professed Faith. For the most part they take far too isolated and departmental a view of the problems of peace and war. They are not really possessed by a total vision of what a genuinely Christian world would be, and they do not see a Christian internationalism as emerging naturally from this as one quite incidental result. Rather they envisage the problem as one of arranging *ad hoc* devices to safeguard us from the occasions of war.

The first result of this line of approach is that peace, and such measure of international unity as is contemplated, are thought of as externally, and somewhat artificially imposed. The only internationalism that can be worth very much is one which would grow naturally out of a recognised common culture, spontaneously felt by each nation to be one of its dearest interests. It follows further that those, who view the problem thus externally, must needs fail to grasp the issues at nearly a deep enough level; they do not trace lines of causation to anywhere near their roots. Closely connected with this failure is the tendency to think of the Church's task in this sphere as principally negative—as the discovering of specifics whereby to avert the danger of war. We ought rather to set as our first and direct objective a comity of nations enthusiastically co-operating in the positive furtherance of Christian civilisation.

It follows that the Church's duty in the matter cannot be fulfilled by a mere support, however whole-hearted, of the League of Nations. If every congregation of every Christian denomination throughout the world were corporately affiliated—as are some Parochial Church Councils in the Church of England—to the League of Nations Union, that would contribute but little to the discharge of the Church's true international function. The League is, after all, concerned merely with machinery. Machinery, indeed, is necessary; but it can accomplish little, except in so far as it is the organ of a vast mass of conscious spiritual unity that is urgently striving to express itself. And, given the spiritual urge on a sufficient scale, appropriate machinery would inevitably and easily be created. It is not the Church's business to become the enthusiastic advocate of any particular piece of machinery, but to be generating—in a sense at once sufficiently deep and sufficiently comprehensive—the unity of the Spirit. This is by no means to say that we should not give a general, even if discriminating, support to the League of Nations. Even if it be regarded as but a stop-gap to dam up temporarily the flood of immediate perils, it is contributing in some measure to the cause which we have at heart. Even the mere averting of war from year to year is, so far, a Christian interest. But beyond that, the various departments of the League's permanent civil service are making valuable beginnings of international co-operation in some of the detailed tasks of civilisation, for instance, in the fighting of various material side of civilisation, but extends to such distinctively moral issues as grappling with the White Slave Traffic.

Nevertheless, it behoves us to be critical in any support we may give to the League. It ought not

to be assumed that any increase in its power and effectiveness is necessarily beneficial. The great objection to our throwing in our lot unreservedly with the League of Nations Union is that that society offers no field for any real criticism of the League; it avowedly exists for the express purpose of "booming" it, in vernacular phrase. It must be evident that in the world in which we at present live any undue centralisation may easily be manipulated in most sinister ways. The power of international finance is one of which the common people do well to be suspicious, and this may well use the machinery of the League for its own, not necessarily socially desirable, ends. The much-advertised reconstruction of the finances of Austria certainly caused much distress to many of the people of the country, and it cannot be taken for granted that it was carried out in all respects in the very best way for their true interests. We may well be doubtful again of the possible effects of the proposed central international bank. A world-wide centralisation of banking is not *prima facie* likely to conduce to the freedom and economic security of the plain man, especially in the smaller countries. In any case, the League of Nations at its best is a *device* for securing that ostensibly peaceful relations may somehow be maintained between nations living according to any ideals or principles they may choose. It is not a society of nations founded on the deliberate adoption of a common ideal of life—and that the Christian one. Yet nothing less than the latter can be a worthy object of pursuit by the Church.

We must beware, in short, of idealising the particular real—the League of Nations—with which the course of events happens to have presented us. It is true, indeed, that in the dreams and aspirations of the more idealistic among the propagandists of the League we can find most of what we want—or ought to want. But that is a reason for our doing our best to enlist these idealists in a campaign of the kind which alone—we are bound, as Christians and Churchmen, to believe—can really further their ideals. It is no reason for the Church to be content merely to do the work of the League of Nations Union. However strong and efficient the League were to become along the lines of its own immanent idea and on its own chosen basis, it would not be in the least what we must desiderate. It is one thing; the Republica Christiana of the Middle Ages—which, in what at its best it aspired and strove to be, *does* give us our true model—was a totally other thing. Then Europe—or, to be accurate, Western Europe—however much it might actually be rent by wars and fightings, at any rate knew itself to be, by rights, one, and to be so, because it held one Faith, expressing itself, naturally and inevitably, in one type of culture, and involving, for the educated, one language. Western Christendom really was one society, albeit an unruly and internally quarrelsome one. If the whole world—or even so much of it as is at present nominally Christian—were as much one society, and if its life were more orderly and peaceful than that of medieval Europe in only the same degree as is the internal life of, for example, England, than it was in the Middle Ages, then we should be well within sight of the ideal. This is not, of course, a plea for "going back to the Middle Ages." No literal "revival" of that kind can ever be a success. In particular, we do not nowadays believe in either Emperors or Popes. Each must be replaced by some kind of much more democratic organ, whereby the spontaneous and free co-operation of the Christian peoples may express itself and effectively energise. But the medieval precedent so far holds good that some equivalent for both Empire and Papal Church is needed. There must be some kind of Federation of the nations in the political sphere,

and, in the religious sphere, some organised mouth-piece of the collective Christian conscience throughout the world; an international spiritual power, in short, seeking to guide and inspire, but not dictating to, or presuming to sway the sceptre of, the temporal power.

The Church's chief and primary task, then, in relation to world-politics, is to promote as rapidly as may be, a "Christian Order in Politics, Economics, and Citizenship," to adopt a phrase that has become classical. The international aspects of such an order would of course be integral and indispensable to it. But right international relations must grow naturally out of the increasingly Christian life that is forming itself in the internal relations of each nation. It is idle to dream of a "special creation" of a Christian internationalism to be superimposed on a horde of nations each pursuing the social and economic principles now accepted. A Christian sociology in the widest sense is needed, locally adapted, no doubt, in its detailed expression, to the needs of nations with differing natural resources and at divers levels of material civilisation, but yet always having regard to the requirements of the one world-wide, and definitely Christian, civilisation. And not least, of course, must such Christian principles be applied to economic life. And here the "Churches" have been particularly deficient in their attempts to Christianise international relations. They have, indeed (as in the Copec Commission's Report on the subject), recognised that economic practice often affects questions of peace and war. But they by no means apprehended how deeply economics cut in this sphere. Thus the Report just mentioned lays down that:—"Industry must be regarded as a service. Profit . . . certainly cannot be regarded as its primary purpose." But the only application there made of this postulate is the demand that nations shall from time to time, in deciding particular issues of policy in regard to tariffs, concessions or trading privileges in undeveloped countries, and so forth, take into account the effects of the proposed action on other nations. No fundamental criticism is attempted on our ordinary industrial and commercial practice as a whole. But our productive system is quite evidently not normally—and certainly not primarily—treated as a service or social function, designed to supply the whole of the people with such goods as they need. We continually have—and very glaringly at the present time—plant standing idle or run on short time, raw materials not being fully used, or even stocks of finished goods left unmarketed, labour power unemployed, and yet at the same time large numbers of people going short of the common necessities of a decent life. Yet, in face of this huge potential market at home, our economic guides and our captains of industry are constantly crying out for more and more foreign markets. It is not a question merely of securing sufficient opening for exports to enable us to purchase such foreign products as are really indispensable. This enormous emphasis on export trade is usually put, first and chiefly, on the ground of its necessity in order to employ our people so that they may have money with which to buy the goods they need. Yet it is obvious that given unemployed labour, unused plant and raw materials, and people needing the product, it must be possible, *in the nature of things*—given wise social arrangements—to bring these three factors together. As business is now conducted, there can only be an ever intensified competition between an ever-increasing circle of industrialised nations for (by consequence) an ever-diminishing fringe of undeveloped markets. We must choose between a permanent, and imminent, peril of war and the mobilising of our full potentialities of production for the supply of the people's needs.

The Church and Social Credit.

By the Rev. Paul Stacy, Vicar of St. Peter's, Coventry.

The writer became a Christian Socialist at the mature age of seventeen in 1887, after hearing a sermon by that remarkable man, Charles Marson. Like most others of his kind, he accepted uncritically the doctrines of a semi-Marxian, reformist economics. It was thought then that, provided Christian ideas and motives were assumed, the current Socialist economics might be chosen as a means of their expression. The argument ran, "Did not the early Fathers say much the same as Marx and Shaw? Was it not right to back the poor in their struggle without enquiring too closely into the statements of their leaders? If we act in the Name of Christ, is not that enough?"

And it may at least be said that, failing the conception of some other more clearly Christian order of society, this was the only way to bold action; certainly it was better than doing nothing. Anyhow, those men thirsted for justice, and most others did not care.

During the war, however, a great deal of thinking within the Christian Socialist circle made its members wonder whether this was any longer the best way of working for the Kingdom of God in social life. Whilst those churchmen were still one with the working-classes in the struggle for justice, they had for some time thought that personal freedom was not sufficiently taken into account in the accepted outlook. Besides, there was no recognition in current economics of the need for voluntary and group effort, nor any thought for craftsmanship. The rise just then of the National Guilds Movement, and also that of Distributism (property for all), seemed to many ardent reformers to indicate the recovery of necessary Christian ideas which had to be conserved at all costs, if the values of the Faith were to be saved.

Then in 1919 came the Major Douglas's analysis of finance and cost-accountancy; and this opened the way to an ideology really capable of expressing Christian-revolutionary conceptions. The writer remembers the shock with which he read for the first time in THE NEW AGE the brilliant exposition of the facts and ideas by A. R. Orage, and again when he studied the books of the author himself. He could not escape the force of the arguments; they appeared then, and appear still more now, irrefutable. Now one of the beauties of Major Douglas's theorem is that, whilst its acceptance is possible for a person of any or no religion or political party, it leaves room for, indeed, by its own principles provides for, the free development of Christian-social values in a way that no other economic philosophy does. The acceptance and application of Major Douglas's proposals would give us all the advantages of an ideal "socialism," whilst securing all the equally great virtues of a true "individualism." Surely the Christian Faith, which in its essential ideas insists upon the sacredness of the individual in the holy community of the Kingdom of God, must find in this economic parallel a most congenial expression. And, assuming the adoption of Social Credit, this splendid advance towards a nobler social order could be initiated without confiscation, class-struggle, or the negations, prohibitions and privations which have so often spoiled the efforts of reformers. The Church would be set free to do her own proper work of directing and inspiring public life and effort towards the re-creation of a modern Christendom.

So, like some other of his friends, the writer surrendered, and, in the words of one of The Rival Curates in "The Bab Ballads":—

"For years I've longed for some
Excuse for this revulsion:
Now that excuse has come—
I do it on compulsion!!!"

One may be allowed to say here that a defence of the Social Credit position from the Christian point of view is to be found more fully set forth in a little tract called "Social Credit and Christian Values." This was written in 1923. Certain members of the old Church Socialist League (now transformed into the League of the Kingdom of God) were convinced of the soundness of the Douglas analysis, and wrote to explain their position to their friends in the League who did not at that time agree with them. It may be obtained from THE NEW AGE office, or from the writer.

This exceedingly short account of the way in which many of those people known as Christian, or Catholic-Christian, social-reformers have come to re-adapt their economic outlook is given in order to help those who read this article to understand where they now stand, and why. No attempt is made to expound the Douglas analysis, as it is hoped that many who read this issue of THE NEW AGE without having read anything of the latest phase in economic thought will be encouraged to do so. So, as a further incentive to that difficult but fascinating study, the chief points in the Social Credit position are simply stated without comment. But it must be remembered that, whilst Major Douglas, by the extraordinary acumen, thoroughness and accuracy of his enquiries, his analysis and his proposals, may certainly be called one of the greatest discoverers of our times, in another sense he is but the mouth-piece of a quickly growing awareness amongst thoughtful people of the real cause of so many of our social troubles, and the beginning of their cure. The consensus of opinion from all sources, and the tendency of events, show that he has put his finger on the danger spot. The only thing that prevents the general acceptance of the position is the way in which people assume the validity of the canons of finance as stated by the orthodox publicists, and the extreme, almost diabolical, cleverness by which financiers themselves carry on the propaganda of delusion.

1. The real centre of social authority is the ownership and control, not of the means of production, but of that intangible entity known as credit.
2. This manipulation of money-power by a few world financiers, who try to secure world-government by rationing credit to the various nations in the interests of a financiers' peace, is really, by a bitter paradox, the root cause of war; whilst, at the same time, it enslaves and depresses the life, both of the individual and of communities, threatening freedom everywhere.
3. The wonderful development in the modern command over nature in raw materials, machinery, communications, and science, is prevented from having its full and beneficent effect by the false propaganda of "scarcity," and "the need to work"; the enforcement of these financial canons being essential to the working of "the system."
4. The assumption made by financiers, and imposed by them upon the public by subtle propaganda and influence over general ideas, of their right to own and control credit, is the grossest fallacy.
5. The method, still virtually kept a secret, whereby financiers are able to maintain their power, and keep the world in chains, is a faulty accountancy which escapes general notice, when once it is assumed that credit is rightly monopolised.
6. This system of accounting all the costs of loans into the prices of goods produced in industry means that, as the loans are cancelled, the community as a whole is deprived of so much purchasing power.
7. The community is, therefore, cumulatively becoming short of the means wherewith to buy its

own products, taking stretches of time into account.

8. This situation leads to a struggle for export markets wherein to get a forced sale for goods unsaleable at home.

9. Such a situation inevitably threatens war, as the tension between the various countries approaches breaking-point.

10. Against the above orthodox thesis it is claimed, that "real credit" (the capacity of the community to produce goods and services) is essentially a communal asset. Financial credit, therefore, should be so issued as to enable the community to buy its own products, leaving the natural surplus to be exchanged for the equally natural surpluses of other nations in a peaceable way.

11. The key to the position is (a) only to pay back loans for production as the consumable goods created by these credit-issues are used up. (b) To issue consumers' credit; (c) to prevent under-consumption by a scientific price-ratio, which would always leave the community in the position to buy its products, or export them peaceably; (d) to leave that portion of unconsumable goods (fixed capital, etc.) as a social asset, rather than to treat it as in lien to finance, i.e., a debt owed to the banking system.

These statements may seem at first sight to have no direct relation to the Christian Faith, but when once financial power is recognised as the modern Mammon the bearing will be obvious, almost trite, to those who believe that there is such a thing as an invisible power of evil.

"For we wrestle not against flesh and blood, but against principalities, against powers, against the rulers of the darkness of this world, against spiritual wickedness in high places."

Drama.

The Japanese Players: Globe.

Although the programme suggests that the productions as given depart somewhat from the strict traditions of the Japanese theatre for the sake of intelligibility to European audiences, the occasion gives one the impression of being in Japan; and one probably gets more out of this hour or two of Japanese theatre than one could from a month in the country. It has been said that the programme is more in the nature of a revue than of drama in the European sense, but such a statement leads to misunderstanding. It is obvious from the four pieces which make up the present programme that the Japanese theatre differs fundamentally from the European theatre. From the difference between the European and the Japanese ideal of human character, and the methods of encouraging the development of ideal human character, arise differences in everything, including the theatre. It is a confirmation of Farquhar's derivation of European comedy from Æsop rather than Aristophanes that the three plays in the four items of the programme are all practically fables, with aristocratic morals. The plots, or, rather, narratives, are as simple as European fairy-tales. But in a fairy-tale the listening child generally obtains vicariously an egoistic satisfaction which harsh social life denies, such as the Ugly Duckling's transformation into a beautiful wild swan, or Cinderella's advancement; whereas the simplicity of the Japanese (or Chinese) fable holds a moral of aristocratic duty—such as fidelity to a trust, abiding by a truth, dying voluntarily when one's task is done, or even when one has failed in it—the very perception of which, under the influence of tradition, influences conduct. The

European conception of tragedy may perhaps be defined as heredity thwarted by environment. The Japanese conception of tragedy, one suspects from even a little Japanese theatre, is of fate generously providing opportunities for the fulfilment of all obligations. Thus romance and tragedy for the Japanese are not antithetical, they are not separate, but part of the same unity.

Among Japanese as among every other class of mankind, the actual, of course, is far from the ideal; and whether the Japanese will go the way of the West under the pressure of Western ideals (even a King in Europe may say, take my kingdom but spare my life) is problematical. In the Japanese theatre at present, however, many things which Europe puts in separate categories are combined, not "synthesised" so much as grown in one piece. This Japanese work can hardly fail to strike the European as a kind of grafting of the European Middle Ages and the present day.

In France Cocteau, and in Germany quite a movement, long plaintively for a re-union in the theatre between drama and circus, or drama and ballet. Technically this Japanese work is drama, ballet, circus, and pantomime, all together. In "Hidden Providence," for example, the dramatisation of a simple narrative of a peasant who avenges the killing of his father and the carrying off of his beloved by a Samurai, one feels that melodrama and drama are still undivided. The brilliant skill shown in the sabre fighting and falling belongs to the circus. The impressive, nay, thrilling style with which throughout every fight and every fall the players obey the rhythm of the music sung "off," and maintain their places in a dynamic stage composition, belongs to ballet. In the midst of these strictly formed, but nevertheless highly vitalised, patterns, there are passages of the deepest pathos, such as Chuji's finding of his dead father, which are not surpassed by anything in Western tragedy, and the whole is punctuated by comedy which combines ballet, circus, and pantomime. Here, therefore, alive and growing, natural and spontaneous, is the theatre art that Europe is so discontentedly hungry to reconstruct, not composed of "ingredients" as are the European efforts to reconstruct, but organically whole.

Perhaps the conviction that Nature is chaos but man may by superhuman effort regulate himself links the outlook of the European Middle Ages with that of Japan, as Japanese art reminds one, in spirit if not in form, of Gothic; of self-torturing saints and devilish gargoyles, of human heads with the bodies of beasts, of folk-culture and absolute values welded together, and of pagan vitality almost too much for the controlling spirit whose philosophy becomes, through biological necessity, keep calm, keep order, and set store on life only as a means to the fulfilment of religious obligations. All this may appear entirely differently to the Japanese, but thus it appeals to a European. Even in the second item, for example, where a dancer with circus-acrobat skill dons several masks one after the other and creates the gestures appropriate to each, the idea of mediæval grotesquerie combined with Machine Age technique refuses to be driven out of the mind.

These Japanese Players are an experience not to be missed. Whatever concessions were decided on to make it easy for us were worth while. The result, in spite of complete ignorance of the Japanese language, is that everything, including the comedy, is clear. The audience laughs no more freely in the right places at an English farce. In addition to the great skill and dancer-rhythm the dressing of the players is beautiful. It is of interest to note that practically all the scenes are in the open air. We English live—mentally—so much indoors that we dramatise even a cricket-match inside the pavilion. The street-scene of the first item (Love when the

Cherry Trees are in Flower, in which a courtesan's servant stops a duel between two Samurai and demonstrates that a courtesan cannot belong to one man) causes one suddenly to realise that the European theatre has hardly begun to stage exteriors. The houses on each side of the street, with gardens in the middle, the lighted bedroom windows, and the Japanese lanterns hanging over the doorways, make a surprisingly happy setting. Perhaps in some of the scenes bright sunlight, instead of being produced by technique as much as by candle-power, as Komisarjevsky does it, is aimed at merely by excessive candle-power; and some of the scenery is unexpectedly "representational" in the European sense. But these are trifles among so much of interest, skill, vitality, and beauty. The visit of these Japanese players is a memorable occasion, and a fitting climax to the C. B. Cochran-Maurice Browne International Season.

PAUL BANKS.

The Films.

Hollywood and Wardour Street.

Since "E. V. L.'s" article on "American Film Penetration" in THE NEW AGE for June 19 was written in 1927, it by no means expresses the existing situation. I propose to describe the position to-day, not so much for its bearing on the art of the film, important although it is, as on account of its national significance.

Most people are so thoroughly accustomed to believe that the American predominance in our cinema theatres is something in the fashion of a law of nature, that it is as well to remind them that an Englishman invented the moving picture of commerce, that the talkie is not an American invention, and that prior to the war our producers, with relatively slender financial resources, were able to supply, and did supply, a large percentage of domestic requirements. The war suspended the industry and paralysed production, partly because of the policy of the Military Service Tribunals; and at the time of the Armistice the United States was supplying the United Kingdom with anything between 95 and 97 per cent. of its films. Even when that proportion subsequently underwent a slight decline, it was as much due to the influx of German and other Continental pictures as to the re-emergence of the native article.

Public opinion was eventually aroused to the dangers of this American domination, which not only took a very large sum of money out of the country and was effectively preventing a re-birth of the English producing industry, but was also detrimental to British prestige; our pictures were absent from the screens of the Overseas Empire, and their place was taken by films which served as a powerful propaganda for the United States, where it is well understood that trade follows the film. The British industry was on the whole well content with the situation, since the exhibitors, i.e., the theatre owners, were, as they still are, completely indifferent regarding the country of origin of their wares, while the renters, or the intermediaries between the producers and the exhibitors, were, as they also still are, so closely bound to the chariot wheels of Hollywood that the prospect of reviving British production was hardly likely to inspire them with enthusiasm. As for the producing industry itself, that was too moribund to do more than pant feebly for air and await a speedy dissolution.

Mainly on account of the questions of national prestige involved, the Cinematograph Films Act was placed on the Statute Book in 1927. The salient feature of this measure is that it embodies a Quota scheme under which every exhibitor must show a minimum percentage of British pictures, the nature of which is defined—such minimum rising periodi-

cally. The Quota, which created a revival in the British industry almost overnight, would in any event have been a bitter blow to Hollywood, but this was even more serious than has generally been realised, because of antecedent changes in the economic position of the American industry.

For a number of years after the Armistice the British market (which in point of number of cinema theatres and in other respects is second only to that of the United States), while a welcome source of additional profits to Hollywood, was not essential to its existence. Owing to a decline in the popularity of films in America, which was, incidentally, one of the causes of the launching of the talkie, the margin of profit in the domestic market had so narrowed that the British picture theatres came to represent the source from which the American producers derived the bulk of their profits, without which they would have been faced with bankruptcy. On top of all this came the talkie, which meant the scrapping of production on which millions of dollars had been spent, the launching out on completely uncharted seas, and the prospect that the American film would, owing to language difficulties, lose very much of its previous world-wide appeal. Thus the United Kingdom and the British Empire, especially the former, became a glittering prize for Hollywood.

The fight to retain that prize has to a large extent been characterised by methods more appropriate to the underworld of Chicago than to legitimate commerce. The Americans started with the immense advantage not only of being the first in the talkie field, but with having at least a temporary monopoly in the money, the specialised equipment, and the technical resources necessary to make sound pictures on a large scale. And the film industry is one in which large-scale production and distribution—the Americans also possessed the latter—are essential to financial success. One would have thought that they might have been content with those advantages, but they very soon made it clear that they aimed in general at a 100 per cent. domination in every country where it was possible, and desired in particular to knock out the British picture-making industry. That determination has, of course, never been bluntly stated, but it is none the less obvious.

Professing a desire to bring about Anglo-American co-operation both in the making of pictures in England and the showing of English pictures throughout the United States, neither of which projects seems so far to have materialised, the American industry has done its best to kill the Quota scheme. It has endeavoured to dictate to British theatre-owners the type of sound-reproducing appliances which they may and may not use, and in at least one instance to my knowledge the result of this action in restraint of trade has been to shut down a London theatre and throw the staff out of work. It has insisted on, and obtained, such rapacious terms for the showing of talkies as to involve exhibitors in a loss even if they were able to show an increase in gross takings. It has deliberately endeavoured to poison the mind of the British public against British films by buying up the worst native pictures it could find and using them for the purpose of the Quota requirements. And in all these tactics, it has ably and enthusiastically been assisted by the renters.

Add that the American talkie has already gone far to debauch the English language and to familiarise the general public with a novel and Yahoo-like vulgarity, and that the profits made in Great Britain by the American producers, estimated at anything between ten and fifteen millions a year, escape British income tax, and you will begin to have an idea of what American film-penetration means. Only an idea, since justice cannot be done to the subject in the compass of a single brief article.

DAVID OCKHAM.

Reviews.

Iron Man. By W. R. Burnett. (Heinemann. 7s. 6d.) Mr. Burnett is a young American author whose first novel, "Little Caesar," was a success in his own country. "Iron Man," his second, has already been chosen by the American Book of the Month Club, and is likely to be a popular book on this side of the Atlantic. Its subject is the rise and fall of a champion boxer. Coke Mason has been taken out of a factory as a possible champion by George Regan, a trainer and manager. Coke is what is known as a rough diamond. Physically huge, small brained, big-hearted, simple, ignorant, vain, unlettered, credulous as a child. After he has won a few fights he thinks that the boxing world is at his feet. Regan has to manage Coke like a refractory horse, now wheedling him, now goading him into going the right way to market. It becomes sufficiently obvious that without Regan to look after him the boxer will get nowhere. What Regan is chiefly anxious about is the way Coke continues to mope for Rose, his wife, who has left him. Regan knows that the woman is merely a selfish harlot and that Coke is well rid of her. But he is only too afraid that when Coke begins to earn "big money" she will come back to him. She does, and from the moment of her return the boxer's decline begins. The turn of the tide is not noticeable at first. He becomes champion and he is happy with his wife. But Rose is soon up to her tricks and cuckolds her husband almost under his nose. He cannot see it, but Regan can, and Rose does her best to make division between boxer and trainer. She succeeds; and Coke, left to manage himself, loses his next fight with a new man trained by Regan. A good tale. The fights are well described by one who evidently knows something about boxing. The characters are interesting. Most of the book is dialogue. As most of us have now been educated by Hollywood there is perhaps no need of a glossary, though much of the dialogue runs like this: "Say, for God's sake, take that hyena out and tie him some place."

J. S.

Sligo. By Jack B. Yeats. (Wishart. 6s.)

Who will be hearing Mr. J. B. Yeats talk to himself for an hour or so on all manner of things as he sits by a lake in Sligo? Six shillings down, and you have leave to be an eavesdropper. True, the fun, not to say the point, of eavesdropping is that the observed is unconscious of the observer; whereas Mr. Yeats knows—or hopes—that you will be listening to him. However, he does his best to oblige and pretends very prettily that no one is near him. Taking a tip from the literary manner of another Irish writer, one James Joyce, he lets his mind wander about in this fashion:

"Motors scamper along all the roads away from the town now. The first motor to run regular trips to the river where the bathers go; there is golf, too, God forgive it—Had a Time Table. But when the motor filled up it went; 'is it the three or the four o'clock motor?' Who cares. The driver doesn't: a willow girl leans on his shoulder. He is Sarsfield, the Black Thief of Sloan, the Boy Cuhullan, Stevebrodie, 'The man who took a chance.' And when the driver takes his chance so do the people who meet him in the road. But if it wasn't for that girl he wouldn't kill a daisy. Who wants to kill a daisy, anyway? . . ."

And so the "mind" of Mr. Yeats, like that of a person midway betwixt sleep and wake, wimbles and wambles, gyres and gimbles in the wabe. I do not quote the rest of the paragraph, but you may like to know that by a process of association—in the psychologist's phrase—he gets from daisies, via the grave, to the smell of whiskey punch. I cannot guess what other readers may feel about it, but for my part, look you, I was embarrassed at the thought of intruding any longer on Mr. Yeats's meditations; so I went round to the other side of the lake, where I found I could talk to myself just as easily as could Mr. Yeats. As Jaques said to Amiens, "I think of as many matters as he; but I give heaven thanks, and make no boast of them." So I will not bother you with another book.

J. S.

"THE AGE OF PLENTY."

We are informed by Mr. H. E. B. Ludlam, publisher of "The Age of Plenty," that he has been compelled to suspend publication of the paper for a period. In the meantime he hopes that supporters of Social Credit propaganda will respond as liberally as possible to an appeal he recently issued. There is a growing demand amongst intelligent workers for education on Social Credit economics, and if this avenue of propaganda is to be fully exploited, donations to "The Age of Plenty" Publishing Fund should be sent to Mr. Ludlam, 12, Grantham Street, Coventry, Warwickshire.

LETTER TO THE EDITOR.

MONEY AND ECONOMIC PURPOSE.

Sir,—I enclose you copy of letter to an Australian correspondent which may, perhaps, be of general interest.

C. H. DOUGLAS.

Dear Sir,—Thank you for your letter and enclosure of May 15.

While undoubtedly the actual restriction of money is largely responsible for the acuteness of the present position, both in Europe, America, and Australia, the mere issue of additional money would not in itself rectify the situation.

I think that you will most easily realise the position by remembering that money of any description is the only effective demand for goods. Consequently whoever issues money is the potential owner of the goods. Therefore the mere issue of money either by a government or a banking system only means that just that much more of the production which it stimulates will go into the ownership either of the government or the banking system.

You will readily realise that the problem is not to get more property into the hands of the government or the banking system. It is to get more property into the hands of individuals. Any effective remedy, therefore, must provide some method by which effective demand is given, not merely loaned, to individuals, and so far as I am aware the only technically effective method of doing this is to provide a mechanism for selling goods below the financial cost of production, which is exactly the same thing as giving to the consumer a credit to the value of the difference between prices and costs. Theoretically this amounts to a free issue of money, but it has the advantage, which is vital, that it provides for a lowering of prices rather than a continuous increase of prices which is the result of merely printing fresh money.

I notice that you are to have a visit from Sir Otto Niemeyer, of the Bank of England, and, until recently, of the Treasury. Sir Otto Niemeyer is representative of the most reactionary views on banking and finance, and no doubt will endeavour to bring Australia still further under the control of the so-called "gold standard" and the international financial group on whom it is based.

June 24, 1930.

[Two further letters are held over until next week owing to pressure on our space.]

CHRISTIAN SOCIAL ETHICS.

Some literature bearing upon the relation of the Social Credit outlook and proposals to Christian social ethics.

"Social Credit and Christian Values." By Maurice B. Reckitt, Paul Stacy and N. E. Egerton Swann. 2d. (From Credit Research Library, 70, High Holborn, or Rev. Paul Stacy, S. Peter's Vicarage, Coventry).

"The Kingdom of God in Industry." Edited by Malcolm Spencer. Chapters VI. and IX. 6d. (Independent Press, Memorial Hall, Farringdon Street, E.C.)

"The Miners' Distress and the Coal Problem." By V. A. Demant. 1s. 6d. (Christian Social Council, 32, Gordon Square, W.C.1., and Student Christian Movement, 32, Russell Square, W.C.1.)

"Is There a Catholic Sociology?" By N. E. Egerton Swann. 6d. (S.P.C.K., Northumberland Avenue, W.C.2.)

"The Church and International Relations." By Maurice B. Reckitt. 6d. ([Anglo-]Catholic Literature Association, Westminster House, Great Smith Street, S.W.1.)

"The Just Price." Edited by V. A. Demant. Chapters IV. and VII. 4s. 6d. (Student Christian Movement.)

"It is my strong hope," says Mr. Snowden in a letter to the Trustee Savings Bank Association, "that more and more of our citizens may become partners in the country's wealth. The Government is doing its best to make his hope a certainty, even if most of the partners are to be sleeping partners and the firm's assets are to consist chiefly of I.O.U.s to itself."—*Evening Standard*, June 5, 1930.

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Address: 70, High Holborn, London, W.C.1.

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