

# THE NEW AGE

INCORPORATING "CREDIT POWER."

A WEEKLY REVIEW OF POLITICS, LITERATURE AND ART

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## NOTES OF THE WEEK.

News to hand since we wrote last week on the Argentine "revolution" supports the hypothesis that the objective of the revolutionary leaders was financial, not political. According to a message to the *Newcastle Journal* of September 11, from its Correspondent, the following administrative changes have followed Dr. Irigoyen's downfall:

"A new President has been appointed for the Bank of the Nation and the National Mortgage Bank, and also new presidents of the Conversion Office, while a new administrator has been appointed of the Customs House."

"Everywhere," concludes the message, "an optimistic feeling now prevails in business circles." The Correspondent says nothing to explain why the above changes have been made—he does not even mention the names of the outgoing and incoming administrators. Nor does he mention a single fact that might afford us a clue to the reason why the "optimistic feeling" now prevails. However, his message is sufficiently illuminating in a general sense. It does show that the ringleaders of the revolt knew beforehand what they wanted, to be able so promptly to replace the above administrators. The money-lending, money-manipulating, and money-collecting functions of the State received their earliest attention—which makes it a foregone conclusion that they were advised by bankers, even if they were not themselves bankers. It is no use our criticising the message for its lack of news value in the journalistic sense of the phrase, by such communications are inspired and censored and not for that of the general public. The news is in code, and is easily understood by those who have the key. We have not the slightest doubt that financiers in all the chief Capitals of the world knew the names of the administrators whom it was proposed to put in control of these three departments of financial government in Argentina—or at least knew whose nominees they were, which would be all they would require to know. So obviously, when these nominees were actually in office, the financiers on the spot in Buenos Aires had only to "release" the fact of "new appointments" to press-correspondents, and everything else would be known by the people overseas entitled to know it. This, by the way, is one of the chief reasons why the newspapers of the world are subsidised through cheap cable-rates, while subsidies to honest industries are sternly forbidden as a crime against "sound finance." The taxpayer has to pay out his good money to assist the bankers to talk to each other above his head.

Various cables from Buenos Aires, Washington, and New York have appeared in the *Chicago Tribune* (Paris) of September 11 and 14, and in *The Times* of September 16, according to which the new provisional Government, headed by General José Uriburu (a) has seized and locked up two former Ministers, two Generals, and several former deputies; (b) has announced that one of its first aims is a 'close-co-operation' with the United States, and an active participation in the Pan-American Union; (c) has appointed a new Finance Minister; (d) has ordered rigid economy in all Government Departments; (e) is preparing to renew a loan of \$50 millions, which falls due on October 1, in respect of which renewal it has received 10 offers of accommodation, including some from United States Banks; (f) has been formally recognised by Chile and expects Bolivia and Peru to follow suit, upon which (g) Britain and the United States will also do so; (h) has been recognised by the Argentine Supreme Court as the *de facto* Government—an "unusual step," in appreciation of which the Government will allow itself to be guided by the Court on all questions of a judicial character.

It looks, now, as if this \$50 million loan renewal was the pivot on which the revolution turned. Readers who remember our long review of the book, "Bankers in Bolivia,"\* will not need to be told that,

\*Published by the Vanguard Press, New York, and at the time of publication on sale at the I.L.P. Bookshop, 14, Great George Street, S.W.1. Price 50 cents.

fierce as is the competition among national capitalists to secure trade in a foreign country, fiercer still is the competition among financial groups to secure a lien on that country's assets. It seems almost certain that the ex-President of Argentina, Dr. Irigoyen, was negotiating with one group of financiers while General Uriburu sponsored the claims of another. The negotiations must have been on the point of completion when Dr. Irigoyen was deposed, for on that date, September 6, only twenty-four days were to elapse before the old loan was due to be "converted," i.e., re-borrowed. So General Uriburu won on the post, as racegoers would say; and we may point out that he won because his owners and trainers were sufficiently enterprising and powerful to be able to give him a dope of direct-action in defiance of the constitutional rules of racing. There is nothing new in the idea. When the United States decided to build the Panama Canal she procured a revolt in Colombia which resulted in the creation of the State of Panama, which was virtually a United States province. And to come closer still, a precedent for the Argentine revolution was set in Bolivia. Let us quote from the book we have just mentioned.

"The year 1920 marked a crisis in Bolivian politics. The Liberals, who had been in power for the preceding ten years, were ousted in an almost bloodless revolution in July, 1920, by the Republicans under the leadership of Bautista Saavedra, who later became President. (Page 96. Our italics.)

And the reason for the revolution is not in doubt at all, for the above quotation continues immediately with the following passage:

"Foreign loan negotiations, principally the \$10,000,000 loan at 6 per cent. from Imbrie and Co. for the cancellation of the French debt, were cut short by the political disturbance." (P. 97. Our italics.)

Exactly! And there follow two pages describing nothing but the financial operations of the new Government—in fact, it did not do anything else than sign re-funding and similar documents which were placed before it when various competing financial interests had settled their differences behind the scenes. Here is a sample of the financial competition referred to.

"In the apparent competition with the National City Bank which ensued, the Stifel-Nicolaus Investment Company won out, and by virtue of the prior option embodied in the emergency loan contracted in December 1921 which prevented Bolivia from seeking the best terms in the open market, the much criticised refunding loan of 1922 was concluded in the spring of that year." (P. 98.)

The authors remark that it was only because of the attack on the Saavedra Government by the ousted Liberal party in respect of this refunding operation that the above facts (and many others in these pages) became public. When thieves fall out honest men hear what is true. We recommend everyone who wishes to follow up the present developments in Argentina to make or renew his acquaintance with this admirable book.

According to the Correspondent of *The Times* in New York (see the issue of September 16) the Argentine loan was originally contracted with the Chatham Phoenix Corporation. He reports that the new Finance Ministry has announced that it is prepared to renew the loan with either that Corporation or "any other which may offer more convenient terms." On the face of it this seems to be an application of what might be called the "open door" in Argentina for loan-mongers. It sounds a fair principle, but it is rather a dangerous one, because it may involve an open door for further revolutions. In fact that risk is explicitly mentioned by the new Government as the reason why it has imprisoned the Ministers and Generals referred to above. But

the announcement of loan-policy must not be taken at its face value. For all we know, there may be a clause in the Chatham Phoenix Corporation's original loan-contract prohibiting the Argentine Government from borrowing where it chooses. But in any case the Government's choice will be settled above its head, for it must depend on the outcome of bankers' negotiations with each other.

The *Daily News* last week apparently commissioned a journalist called Mr. Cummings to expose the fallacies of "dictatorship." It published also a leading article on the subject, warning people against giving way to the impulse to call for a "strong man" when things go wrong under a democratic form of government. What has inspired these articles has been, of course, the sudden success of the Fascists in the German election. Our contributor, Mr. Le Gros Clark, examines and contrasts Fascism and Communism elsewhere from the psychological aspect. We suspect that not all of his interpretations and conclusions will win the concurrence of our readers, but since he has presented them in a brief and condensed form it will be better for us not to discuss them in detail, in case we have not completely grasped the thought behind some of his expressions. In these busy and anxious days a writer displays charity to his readers in being brief. Brevity covers a multitude of sins. It also exposes the writer to a multitude of criticisms; so that he exhibits moral courage in refraining from the elaboration which would be required to forestall these criticisms. Every reader who has essayed to present the Social Credit economic analysis in a brief and comprehensive form will know what we mean. Speaking for ourselves, while we do not underestimate the importance of psychological analysis—for psychology is the nexus between economic theory and practice—we think that it ought to be linked at all points with verifiable facts. For instance, while Herr Hitler's movement has just fallen short of winning a popular majority in its favour, Signor Mussolini's movement usurped power without troubling to consult the people beforehand. On the popular side, you have the German people nearly at the point of asking for a Fascist form of government and you have the precise pattern is a matter of doubt; and you have the Italian people acquiescing in a precise and known pattern of Fascist government—whether contentedly or discontentedly, being also a matter of doubt. Again, when the German people (or any other people) vote for anything, what they vote for is a picture exhibited by political leaders, not one drawn for them spontaneously and individually from the value of themselves. Without adding to these facts, sufficient ground is afforded for questioning the value of discussing political phenomena as if they were the product of a self-determined psychological attitude of the people. The psychology involved seems rather to be that special branch of psychology which we call "hypnotism" or "suggestion." In making these remarks we are not certain whether we are in conflict with Mr. Le Gros Clark's ideas or not—which fact alone indicates the complexity of the subject. But in any case the matter is not worth arguing about. Fascism, Communism, and Democracy, however definitely they may be differentiated in principle, work out identically in practice. The reason is that finance prescribes the means of applying the principles; and the margin of initiative allowed to the administrator is so small that differentiation of principle is eliminated in practice. It is not the slightest use arguing about whether the world will look better painted white, or red, or black while the bankers will only let you have black paint. You must first control the paint-shop; and then you can talk colours. You must control credit before you can usefully discuss values.

Major Douglas has said that Social Credit is an instrument which helps a community to do *what it wishes to do*. Strictly speaking, the sponsor of Social Credit has no views, or need have none, as to what ideals ought to be achieved by the use of this instrument when it shall be communally controlled. The advocate of Social Credit is in no better position to foresee the ultimate result of using the instrument than are people who know nothing about Social Credit. What he can foresee, and is entitled to declare, is that Social Credit will in time bring the community to a full realisation of what it does want. He can go a step further and affirm, with safety, that the community will, for a beginning, want to enjoy the greater economic security which Social Credit will afford to it. This material security is the soil in which a new culture will be sown. But it requires more than human prescience to foretell the nature of the harvest. This is the main reason why the advocacy of Social Credit meets with so much resistance. For the majority of people virtually demand a demonstration that Social Credit will stimulate particular cultural tendencies which they happen to wish to promote. But no such demonstration is possible. All that can be said is that *if*, after being freed from material insecurity, the community desires to go in any particular cultural direction, it will be able to do so, and therefore it will do so.

That elusive property sometimes referred to as the "philosophy" of Social Credit does not reside in the minds of its advocates but slumbers in the soul of humanity. We shall not know what this philosophy is until the sun of economic freedom rises, awakens it, and warms it into activity. The philosophy of the "instrument" will only be known when humanity begins to use it. "But it may misuse it" many will say. Quite so. Such a result is conceivable. But the fear that this may be so is derived from observation of what people think, say and do in their present condition of under-developed self-knowledge. Any readers who have had the experience of bringing up sons to manhood will agree that if their little boys' plans had accurately forecast their futures they would, to-day, all be driving locomotives or steamrollers. No father ever feared these fancies: he either jokingly encouraged them or else said to the boys: "You won't want to do that when you grow up." And meanwhile he went on feeding and sheltering them until they had found and established themselves. To-day we all live in a condition of mental and spiritual immaturity; and no one can foresee what we shall do and aspire to do when all economic checks on our development have been done away.

Mr. Garden, the Secretary of the Sydney Labour Council, urged the following policy before the Australian Council of Trade Unions. The Government should, he said,

- declare a state of emergency.
- take over the country's resources.
- distribute £25,000,000 new credit.
- take over wheat and dairy produce.
- increase the means of exchange.
- institute a 40-hour week.
- raise the wage-level by 25 per cent.

In spite of this "fantastic scheme," as *The Times* Correspondent describes it, Mr. Garden was elected to a committee which was appointed to make a further report to the Conference.

Incidentally, it will be well for our readers to adopt the hypothesis that every cable from Australia appearing in the London Press on the crisis, and purporting to have been sent by "Our Correspondent," has been composed by the Ernst-Gug-

enheim Bureau—so to call it. The more closely they test this hypothesis by reference to the purport, and the technical and even literary style, of these messages, the stronger will be their confidence that it is a correct one. Here is one example. Mr. Garden had "blamed machinery for unemployment." "*The Times* Correspondent" quoted this as an instance of the "extremists' state of mind." Would any competent journalist spontaneously select that statement for ridicule in the face of volumes of responsible discussion going on in America and Britain on the relation of machine production to unemployment?

Speaking generally of Mr. Garden's "fantastic" programme, our reply is that it is only fantastic because it is not fantastic enough. What it lacks is one more "fantastic" item which will make the others work—namely, a provision for ensuring that the contemplated increases in the volume of loan-credit and wages shall be reflected in a collective increase in the rate of consumption. To explain what we mean we will suppose that a steam-turbine boat is being driven under full pressure, but develops a speed of a half or a quarter of what is expected of it. We can imagine two possible explanations. The first is that the draught of the vessel is just about equal to the depth of the water in which it floats—with the result that its keel scrapes the bed of the channel. The second is that its propeller-blades are mounted at a wrong angle—with the result that the thrust of the propeller is only a fraction of what it could be. Everybody will agree that in the case of a problem of this sort it is vital to discover which of these alternatives is the right one. If the first is right, then you know you've got to lighten the boat somehow or wait for a high tide. If the second is right you know that you need not do these things, but can get what you want by remounting the propeller-blades. According to which method is right the other is "fantastic." Now, nine-tenths of the people who have reacted to the truth that the question of credit is bound up with the economic problem have run past the truth assuming that the solution of the problem is merely a matter of getting an increased quantity of credit. It was a most natural mistake for them to have made when first they realised that trade and prosperity floated on credit. It seemed a logical and sensible thing for them to say: "Let us have deep water"—especially in view of the fact that the kind of water in question—financial credit—costs nothing to create and can be provided in illimitable quantity. And we, too, endorse the request in the sense that if a population desires to use more credit there is no reason why they should not have it. But at the same time we have to insist that "more credit" is not the cure. The Social Credit analysis has proved that the trouble is not shallow water, but a defective propeller. The central feature of the Social Credit Proposals is the re-setting of the blades—for that is what the economic vessel, with its boilers and mechanism, is in perfect condition *but for this one single adjustment in one single place*. It needs no additions nor enlargements elsewhere—it is already riding clear of the bottom, and will turn its potential power into actual speed as soon as the adjustment is made. Without that adjustment not a million fathoms of water will add a cubit to its speed.

From this technical point of view, therefore, Mr. Garden's programme is incomplete, and therefore in a technical sense the bankers may be conceded the right to call it "fantastic." But they take very good care to conceal behind this single adjective their reasoned exposure (if any) of the "fantasy." Turning to the political aspect of the programme, we are ready to allow that, as it stands, it may be

the best form of propaganda for Mr. Garden's immediate purpose, which we presume to be that of arousing the labour movement against Sir Otto Niemeyer's policy. But the danger is that sooner or later the non-labour sections of the community are bound to regard the financial items in his programme as covering an attempt to victimise them. For instance, the mere mention of "increased wages" must raise a scare unless the employing classes are shown that the money to pay them will be offset by the receipt of an equivalent increase in revenue. This would be difficult to prove, under the existing system of costing and custom of pricing, without scaring the workers in turn. For although the collective rise in wages would mean a commensurate rise in the money-demand for goods, it would mean also a commensurate rise in the collective cost of the goods—a rise exactly equal to the rise in wages. The employers would be compelled to recover in prices a total additional sum of money equal to the sum added to wages. This, of course, need not necessarily cause a deadlock, for in theory it is possible to have a larger volume of credit going out through wages and coming in through prices, and at the same time for everybody to gain something in terms of goods through a more than proportionate increase of production and consumption. But it is just here where the snag is. There is direct evidence all over the world of the ruin wrought by gluts in cereals and other consumables. These increases in production are not marketed. Not only that, but they paralyse further production. The problem before the world is how to get through a transition period which divides the present situation from the one which it desires. Taking token figures, we can picture the present situation as one in which industry is spending and collecting £100, making and selling 100 articles; and the desired situation as one in which industry will be spending and collecting, say, £125 and making and selling 500 articles. That is to say, assuming that, on the evidence of industrial engineers, there is no physical difficulty in increasing consumable output by 400 per cent. by the use of 25 per cent. more money, and so raise the purchasing power of the £ from one article to four articles; the problem is: How do we start to do it?

We suggest that the attempt by Mr. Garden and others to mobilise opposition to the Niemeyer policy will succeed more quickly if they will relate their financial proposals to the physical facts of Australia's productive resources. Up to the present all the arguments have been about money, and none about things. This omission is a vital mistake, both technically and politically. Technically, because the Niemeyer ultimatum rests, in the last analysis, on the threat to starve Australia of things. That is to say, whatever financial reprisals the London bankers may inflict on Australia they will be effective or ineffective according to whether they result in preventing her from importing actual things (and of course services) which are indispensable to her economic existence. Now there are two ways in which Australia can consider this threat. First, she can see without difficulty that the carrying out of the threat would cut both ways. The banks cannot shut off Australian imports without shutting off British and other exports. So the interesting question arises: At which end will the injury be felt the most severely?—in an Australia prevented from buying from Britain or in a Britain prevented from selling to Australia? Can idle Australian importers outlast idle British exporters? If so, then Niemeyer is putting up a bluff, and the bluff can be called. The answer to the question must be resolved by reference to Australia's present physical resources. The people who can answer it are Australian engineers and scientists.

We would like to see a body of such men assembled to advise the Government on this subject. We would put them this question: "On the hypothesis that Australia, by some natural cause, were to be completely cut off from communication with the outside world, to what extent could this emergency be met, assuming that all the machines and man power were employed to full capacity and all the products distributed? Ignore money and costs altogether, and consider the problem exclusively as one of applying available energy to the making of energy-products."

It is not for us to suggest in detail what the answer would be, but we have sufficient reason for believing that both in quantity and diversity the internal output would be sufficient to provide the population with a good deal more than the bare necessities of existence—how much more our Australian friends will be better able to estimate than we are. Some indications of Australia's productivity were afforded in April of last year by Mr. J. R. Collins, C.M.G., C.B.E., Representative in London of the Australian Loan Council. He published a booklet called "The Public Debts of Australia,"\* and a large proportion of it was reproduced in the *Times* of April 13 and 15, 1929. The pamphlet was really a Petition to the City financiers—a bleat to the shearers on behalf of the gentle Australian sheep. His theme was that Australia's external debt was not out of proportion to her national wealth and income, and he made out a plausible case. But in one section he dropped the subject of money and talked about things. Between 1901 and 1927 he said Australia's increases in production were as follows:—

	1901.	1927.
Wool	543 mill. lbs.	924 mill. lbs.
Wheat	39 mill. bushels	161 mill. bushels
Sugar	140,000 tons	416,000 tons
Coal	7 mill. tons	13 mill. tons

In the same period the population had risen from 3,700,000 to 6,250,000. Australia possesses, he said, 1,900,000 square miles of territory having a rainfall of 10 inches a year, including 1,300,000 square miles with a rainfall of over 15 inches. (In Great Britain, he pointed out, 45 millions live in an area of 94,000 square miles.) He added that production in other staples besides those enumerated, and in local manufactures, had shown "large expansion," and could be "enormously increased."

With regard to Australia's productive resources he gave some indication of what they are incidentally to an analysis of her debt which he made in order to show that £802 millions out of the total debt of £1,095 millions had been spent in creating assets—the other £293 millions being mainly war expenditure. Here is the analysis:

Construction of railways and tramways	£140
Water supply and sewerage works	105
Harbour and river works, roads and bridges	77
Land settlement	30
Construction of post offices, telegraphs and telephones	27
Public buildings	11
Defence	107
Amount to be paid by the Commonwealth to States in respect of properties transferred at the date of the Federation	780
All other purposes	80

Difference between expenditure and debt (due chiefly to discount on and expenses of flotation of loans).....

Elsewhere he pointed out that the total public

\* Issued from Australia House, London.

debt of Britain was £167 per head of population and that of Australia £170; but that the amount of debt not covered by assets was as much as £135 per head in Britain and as little as £43 per head in Australia. If we subtract the latter figures from the former we arrive at the result that while each head of population in Britain supports £32 of debt covered by assets, each Australian supports £127 of such debt. Assuming Mr. Collins's figures to be accurate, and assuming that the money-figures reflect the relative quantity or energy of the assets, the conclusion would appear to be that each Australian "supports" almost exactly four times the production-power that the British citizen does—or, as an engineer would say, is supported by (or supportable by) four times the power.

Without going any further, and even discounting the import of this particular debt-analysis, we suggest that the information reviewed, instead of being used as it was by Mr. Collins as an argument why the City should help Australia, would powerfully support the proposition that Australia could do without the City. A country which could produce enough in 1927 to provide every family of five with 750 lbs. of wool, 125 bushels of wheat and 640 lbs. of sugar is well on its way to complete immunity against external attacks.

Mr. Garden will do better to avoid scaring employers, which he is bound to do by pressing the Government to "take over" Australia's resources and produce. Let him concentrate on demanding an inventory of them to start with. What, for instance, is the actual per capita output of the Australian fields and factories in respect of each of the products which enter into personal consumption? What is the potential output, i.e., what could be the actual output, of each of these things, calculated on the assumption that Australia's £800-million-worth of public assets plus industrial plant were working at full capacity? Also; in what specific direction would consumption be necessarily limited in quantity or diversity if exclusively drawn from home resources? Would anything vital be lacking—or anything to which people are so accustomed that its lack would be seriously felt? It will be appreciated that Australia's power of effectively resisting the Niemeyer policy stands or falls on her being able to withstand a siege without the risk of causing an undue measure of internal discontent. We suggest that she can; and if she can we believe she ought to. As we see it she will be forced to if she begins to impose the Niemeyer economies. Already the community has split up into mutually antagonistic sections—Capital versus Labour and so on—at the mere prospect of the economy policy; and we should say that if it is administered as intended the condition and temper of the Australian people will be measurably more dangerous than would be the case if they were thrown entirely on their own resources or themselves chose to fall back on them.

This, of course, presupposes the willingness of the Australian Government to consider a policy of self-reliant resistance. We are dealing primarily with the physical and technical considerations on which that policy might be seen to be feasible. If this feasibility be established by reference to physical facts, the question of the right financial method of administering it to the general satisfaction of the community is no problem at all. The method has been discovered, and can be demonstrated to be capable of fulfilling the above conditions. And in no country will it meet with so few impediments to its easy administration as in a

country which can, if pushed to it, break contact with external markets without risk of starvation. The bankers, in that case, are impotent to do anything effective short of procuring intervention by force of arms. With all respect for their ingenuity we cannot see that happening.

The *Newcastle Journal* of September 17 reports the presence in Chicago of representatives of the Co-operative Wholesale Society who are negotiating with the National Farm Board for the purchase of American wheat. They may have sound business reasons for going to this market, but it does seem curious that wheat surpluses in other countries, including our own Dominions, should be ignored. But it is not our business to agitate the question—it is rather Lord Beaverbrook's. Perhaps he will look into the matter.

*Current History* (New York Times Co.) for April, 1930, publishes a review of Mr. Ludwell Denny's book, *America Conquers Britain*. The review is written by Nicholas Roosevelt. In the last paragraph is the following passage:

"Mr. Denny's pessimism has led him to stress the factors making for peace. Of these the greatest by far is the virtual certainty that the Empire could not possibly survive a war with the United States. For America such a war would be merely a temporary check. Under these circumstances it is safe to say that while war is not unthinkable, it is highly improbable, for the reason that it would no longer profit England to embark upon it. But the economic struggle will persist—at least for a number of decades."

Professor Henry Clay is "economic advisor to the Bank of England." Addressing the Bristol Rotary Club on the tax burden, he said that three-quarters of it was direct taxation as against a high war proportion of less than half. The effect of direct taxation was to reduce the amount which could be applied out of profits to the expansion of profitable businesses. The "flow of new capital" for industrial expansion was "tapped at its source by income-tax and sur-tax, and depleted by estate duties." Therefore, he saw in direct taxation one of the chief causes of unemployment. This is a curious thing to hear. Professor Clay has apparently never heard of Messrs. Foster and Catchings, who are busy telling America that the reinvestment of profits is the root cause of trade stagnation, and therefore of unemployment. According to their reasoning the very process which Professor Clay says must increase unemployment, would prevent unemployment. Which party is right? Or do economic laws work in opposite directions here and in the United States?

"Thanks to your system, I can now converse on any topic almost without conscious effort. I have been amazed at the effects it has had on me." (Our italics.)—Testimonial published in a leaflet advertising the Regent Institute's system of "Word Mastery" ("Be a Master of English").

"The devastating effect of death duties on great estates is vividly illustrated by the publication to-day of particulars of the settled estate of the fourth Earl of Durham. He died in January, 1929, four months after the death of the third Earl. The estate of the third Earl was valued at £1,543,689, and on this more than £510,000 had to be paid in death duties. The value of the settled estate of the fourth Earl has now been sworn at £909,030. The first grant of probate of the unsettled estate returned the value at £197,866, thus making a total of £1,106,896. After taking into consideration the 50 per cent. concession made when deaths occur within a year of each other, this means the payment to the State of about another £190,000. Thus in less than a year this great estate has been mulcted to the extent of £700,000. The drain on the estate has necessitated the sale of several residences and the breaking up of some of the estates which have been in the possession of the family for many generations."—*Evening Standard*, August 16.

## Natural History of Fascism.

By F. Le Gros Clark.

They say there may be a Fascist *coup d'état* in Germany within a few months. It seems clear that the term "Fascism" is now used as regularly for a certain social phenomenon as "Communism" is used legitimately for another. I should like to append a few biological notes on the species "Fascism," so that it may be distinguished on its appearance in any country.

(1) In distinction from Communism, Fascism is almost invariably Nationalist. Communism is sick of the old national values, throws them aside with a large gesture, and moves towards a world economy; it allows that the old cultural values may go down in the process; let them go. (In practice, of course, the Soviets are tending rather to encourage distinctive cultural development in the various nationalities that compose the Union.) Fascism erects certain of the old national values—often uncritically and sentimentally—and uses them as a rallying cry, e.g., the antique greatness of Roman Italy, hundred per cent. Americanism, the British Empire ideals, the old German home life, and so on. To support these images an idealistic and semi-mystical theory has to be invented. This idealism is opposed to the "materialism" of the Bolsheviks—the Marxist term "materialism" being usually entirely misinterpreted for the purpose. The necessary result is that Fascism, as it advances, is exploited by (a) clerical interests, (b) royalist interests, and (c) the military and imperialist cliques in the various countries.

(2) The primary aims of Fascism are often revolutionary. An attack is to be made on e.g., profiteers, high prices, high-salaried officialdom, the burden of land rents, painful indemnities, financial interests (mostly identified as Jewish). A section of the population can be so rallied—and with greatest success, be it noted, after the failure of a Communist revolutionary movement, a great strike, etc. At such times the small *bourgeoisie* seek protection from a repeated proletarian effort; and large numbers of the working class, falling back in despair, may be persuaded to follow the new hope. Fascism often thrives especially among the peasantry, who in any case tend to blame the town workers for high prices and awkward agricultural depressions.

(3) The movement is financed from various sources; and its income may actually be drawn from different sections of the wealthier population in turn. A Fascist movement may, for example, be first financed and directed by the land-owning class, later by the industrialists, and finally by finance capitalism.

The movement, as opposed to the more authentic working-class movements, usually grows accustomed in its early day to being subsidised. Naturally, it cannot grow out of the habit. It is compelled to adapt its theory of social values to this necessity. It therefore retains the idea of the Class structure of the community, and appeals for the alliance of all classes in a great national half-mystical awakening. As Fascism hardens into shape, it arrives at the conception of the "Corporative State"—an architectural and somewhat medieval image, which idealises Class as function, and has affinities to Catholicism.

(4) Whatever be its original aims, Fascism never in effect makes a direct attack upon Finance Capital. It does not immediately nationalise or immunise the banks. As an inevitable result, it always falls into the hands of Finance, as the most strongly entrenched section of Capitalism. That is a foregone conclusion. Unless the banks are immediately sterilised, they are bound to sterilise and turn to their own use any social force that is

nominally directed against them. That is the final fate of Fascism.

(5) The Movement often *appears* to come into power through a *coup d'état*. This is deceptive. The affair is in reality a "staged" one. The Italian Government could have stopped the March on Rome if it had wished to do so. The truth is that in most cases the Cabinet—together with Military and Court circles—decides to make use of Fascism in order to escape from the dilemma of Democracy. The Fascists are, so to speak, granted a triumph. The financial and aristocratic forces behind Cabinet and Court then move up privily into action, assume control and utilise the organised enthusiasm of the Movement to police the country against an economic revolution. These financial interests may be national; but usually in the case of the smaller European countries, they are international. Occasionally—as in Austria—International Finance may decide to check a Fascist Movement, if it is felt to be premature. German Fascism maintains that it is opposed to the banks. In effect it will probably attack a few small national banking institutions and bind the country even more helplessly to the chariot of American Finance.

Space will not permit of further analysis at the moment. Fascism, like Communism, is a mass movement; but it is doomed by its nature to a certain fate; and this fate can be with exactness predetermined. It is a mass movement that will inevitably fall under the control of High Finance. It is a social phenomenon that may be compared with what the psychologists call "regression." When an individual fails in adapting himself to adult values, he often "regresses" to a more infantile stage, falls back on childhood. It is necessary now that mankind should adapt itself to a World Economy and to fresh values. This demands an enormous effort; and when the effort fails a community may fall back on the outworn values of Nationalism, Monarchism, Catholicism, and what not.

Since Fascism does not solve the problems of Finance-Capitalism, but merely assists Finance-Capitalism to free itself from the awkward restraints of Democracy, it follows that the economic disease will only reappear with greater violence than ever. There is no solution under Fascism of the price-contradiction, of the friction between classes and of national and imperialist rivalries. The last state of the country that assigns itself to Fascism will be necessarily worse than the first.

The loose practice of comparing Fascism with Communism, because both are non-democratic, is as bad as calling a whale a fish. The distinction is fundamental. Communism—whatever be its incidental mistakes—advances broadly towards a world economy of a co-operative type. It is never hope to be a child again, so are the old nationalisms and the old financial methods finally doomed. Any regression to them can only be fantastic and lead to a kind of social paranoia. No sane man can afford to flirt with Fascism.

"My own view is that this slavery of case law, which exists to-day is doing infinite harm to English law. Mr. Justice McCardie made this comment in the King's Bench Division yesterday when counsel referred him to a judgment given in the last century. 'To my mind,' he added, 'principles and decisions should change with the times. I am more and more convinced of that as I look at the appalling chaos of case law by which judges are governed by decisions given in the sixteenth and seventeenth centuries. I have been looking at some of the decisions of that period which are said to govern me. All I can say is that they were given at a time when superstition was so prevalent, and foolish notions so dominant, that one would reject these decisions as being vanities but for the decline of precedent.'—*Evening Standard*, May 23.

## Verse.

By Andrew Bonella.

Mr. C. J. Hunt\* has seen more than

"two points in Hamlet's soul  
Unseized by the Germans yet . . .";

he has seen the whole host of English critics trailing after all the Germans except Werder, on a false scent; and he gives us a Hamlet not unlike the man of action that Mr. Ainley contrived, by cutting the text unmercifully, to present in the West End a few months ago. First of all, he says, we must not take the ghost too seriously: "alas! poor ghost," Shakespeare's whole treatment of it "is intended to convince the audience that it is a purely subjective phenomenon, and that Hamlet is conscious of the fact." If Mr. Hunt himself met a ghost he would naturally conclude that it was a subjective phenomenon, so Hamlet, for all he lived in another century, must do the same; or to be more accurate, Shakespeare, for all he was a professional dramatist writing popular plays for people who certainly did believe in ghosts, must toe the line of modern psychology. Not content with this Mr. Hunt declares that Horatio was sceptical even after he had seen the subjective phenomenon, and this in the teeth of Act I., Scene i., Lines 53 to 69, and such lines as:

"I knew your father;  
These hands were not more like."

and "As I do live, my honour'd lord, 'tis true."

Mr. Hunt's Hamlet is a sane, well-balanced person like Mr. Hunt, who lays sane and practical plans. He cannot, for moral and politic reasons, sweep to his revenge until he can corroborate the subjective phenomenon's story, so he stages the "mouse-trap" play. But, to return to Shakespeare, what use did Hamlet make of the proof afforded him by the King's frenzied call for lights (so, rightly or wrongly, it is usually played) to further his schemes? Did he in fact use the results of the play scene to any practical advantage? The text says no.

Mr. Hunt admits that the soliloquy, "How all occasions do inform against me . . ." looks at first sight (and, by the way, since Shakespeare was a competent dramatist writing simply for the stage the first impression is likely to be the right one), like a confession of inability to act and shame at the thought of it. But, he goes on, if we look at it more closely we shall see that the inability to act is due to the exigencies of the situation. If Mr. Hunt will look again, still more closely, he will find that there is only one reference in the speech to the exigencies of the situation, which directly refutes Mr. Hunt's theory:

"Sith I have cause and will and strength and means  
To do't."

Mr. Hunt's most blatant confusion of his own (or Werder's: he does not tell us which) theory with Shakespeare's text is in the matter of the sea-fight which ended Hamlet's voyage to England. Since, by hypothesis, Hamlet is the perfect man of action, he must have pre-arranged the opportune attack of the pirates; his account of the affair in his letter to Horatio gives no hint of design, but then, says Mr. Hunt, he had to be careful what he put on paper. If so, why did he fail to mention this master stroke in his subsequent conversation with Horatio, especially when his tone throughout the scene is one of boyish pleasure in his own guile? Still, Mr. Hunt cannot help thinking that Shakespeare intended us to gather that the fight was pre-arranged. . . .

\* "Hamlet Reconsidered: A Critical Essay." By C. J. Hunt. B.A. (Oxon.). (Reprinted from "Baconiana," August, 1930.)

This is childish: Shakespeare never "intended us to gather" anything; he was far too good a playwright.

Finally, Mr. Hunt strikes the difference between a tragic and a pathetic hero. "The tragic hero is a man who knows that he is placed in such a position that he must forfeit either his self-respect or his life to get out of it." Hamlet, therefore, took the straightest and surest way of attaining his revenge. This will not hold: even if, until the play scene, Hamlet was not sufficiently sure of his uncle's guilt to act, Mr. Hunt must admit that the King's discomfort at the re-enactment of his crime was proof enough, morally if not legally. It follows then that, as a true tragic hero, he should have stabbed his uncle then and there, forfeiting his own life if necessary, instead of delaying until Act V., by which time not only his own life and the King's were forfeit, but also those of Polonius, Ophelia, Rosencrantz, and Guildenstern (if they count), Laertes, and the Queen, whom his father had enjoined him to spare—a clumsy bit of work for the ideal man of action! Mr. Hunt appeals to Shakespeare's other tragedies, but this plea is just as inept; all his great tragic heroes are partly responsible for their own downfall, and each play is founded on some flaw, credulity, lust, ambition, pride, choleric impatience, in an otherwise great character. Why then must Hamlet be perfect? If he had been the play would have been over in half an hour. Again, what about the two great soliloquies, "O! What a rogue and peasant slave am I:" and "How all occasions . . ."; if Hamlet was taking the best practical course, why reproach himself? Why not, like the less conscious Romeo, curse the stars when things went wrong? I can only advise Mr. Hunt, if he must grub about in the soul of Shakespeare-Hamlet, (a) to remember that "Hamlet" is a play, and (b) to read Professor Bradley, whom he dismisses with Coleridge and the rest of them, and learn some of that admirable critic's candour and respect for the text. I must apologise to my readers for dragging in this, the King Charles's head of criticism, but "the bleating of the kid excites the tiger."

Miss M. M. Johnson's little book† is not such as to excite controversy of any kind. It contains some very pretty minor poetry which may be accepted as such without discussion. This short poem will show the kind of thing:

Spring.  
Soft falls the sunlight: Spring returns,  
Now tender ferns in woods unfold:  
Now violets lift their scented hoods,  
Now blue and gold the crocus burns.  
Calls blue-tit now the trees among  
His thin, sweet song—his thin sweet song:  
Soft falls the sunlight, pale and clear—  
Now Spring awakens: Spring is here!

And very nice too.

"Anonymous"‡ is a short pamphlet written anonymously in praise of anonymity. I cannot quite grasp whether the word "Anonymous," when used in the text, means an actual organisation or society of authors, or whether it merely means anonymity. Otherwise the pamphlet is clear enough; nameless art, it contends, will combat the spate of "canned" and mechanical amusement to which art proper has become debased. "We believe it is to our advantage to ask the audience to react to our work as it did to the Homeric songs, the Apollo of Veii, the Northern sagas, or the Gothic cathedrals." I hardly expect Social Crediters to agree with the idea, but I am sure that many of them would find the pamphlet worth reading. I myself am base enough to wonder who wrote it.

† "Red Clover." By M. M. Johnson. Chapman and Hall. 5s.

‡ "Anonymous." Carrefour Editions, 18, Villa Seurat, 18, Paris. 1s.

## The Films.

### The Dawn Patrol: Regal.

This is a remarkably good film, in which excellent acting and direction are combined with admirable photography, natural dialogue, a coherent and human story, excitement, and in general, very good entertainment. It lives up to its description as an epic of the British Air Force, the director, whose most appropriate name is Harold Hawks, having achieved the unusual feat of making an American film that is true to British sentiment and character. Incidentally, the actors, of whom the only Englishman is Edmund Breon, speak with what the film industry nowadays calls a "cosmopolitan accent," one that steers a middle course between the Oxford intonation and nasal Yankee.

Richard Barthelmess, one of the many film players to whose screen personality speech has given an added quality, has never done anything better. He gets under the skin of the part. Douglas Fairbanks, Junior, also gives his best impersonation to date; this young man, who started under the heavy handicap of a celebrated name, now proves himself to be one of the newcomers whose future should be well worth watching. From the rest of the cast, all of whom display a noteworthy sincerity, I select Neil Hamilton for special mention, partly because of the vividness of his performance, and in part because this talented actor has in the past mainly been fobbed off with not very distinguished roles.

The cloud photography in "The Dawn Patrol" is the most beautiful I have seen, while the flying and aerial fighting scenes provide very real thrills. The point is worth mentioning; the much-advertised thrills of certain spectacular productions are as often as not machine-made, but here is the genuine article.

### Some Films Worth Seeing.

Filmgoers have this week an unusually varied choice. "Murder," Hitchcock's adaptation of Clemence Dane's "Enter Sir John," is being simultaneously presented at the Alhambra and Regal, following the precedent established by "All Quiet on the Western Front." The latter, after a twenty weeks' run during which it has been seen by over a million people, has been transferred to the Rialto. At the Empire is the colossal spectacular production, "The Big House," and those who have not yet seen the delightful Marilyn Miller in "Sally" have the opportunity at both Tussaud's and the Stoll, which is also showing Douglas Fairbanks and Mary Pickford in "The Taming of the Shrew" according to Hollywood. Finally, the new Regal Cinema at Beckenham, a luxury theatre at prices for the million, opened its doors on Monday with a programme including "The Rogue Song," worth seeing for the acting and singing of that unconventional screen hero, Lawrence Tibbett. Except for Russian films, the list is uncommonly representative, and illustrates some of the remarkable contrasts provided by the world's most popular form of entertainment.

DAVID OCKHAM.

## Bankers' Corner Sites.

The Watchmaker, Jeweler, Silversmith, and Optician for September contains a full-page article complaining of the banks' occupation of corner sites. The article is illustrated by a diagram showing the positions of corner-site premises on the main road from Holborn Circus to Marble Arch. There are 25 of them.

"... banks ... are an essential to nearly everyone; they do not need the principal display sites to attract a clientele. They have not to make a name for themselves, and they have not to attract the eye of prospective customers."

They could, the writer contends, carry on their business just as efficiently and profitably round the corner, and he suggests that Chambers of Commerce should try to secure restrictions on the banks' irruptions into recognised shopping thoroughfares.

## Production and Prices.

[Notes of a lecture by Major C. H. Douglas in 1920 at a meeting of the National Guilds League. Reprinted from THE NEW AGE.]

BEFORE dealing with subject of lecture I propose to comment on method by which conclusions are arrived at: Explanation likely to cause intense irritation! It is admitted by most persons that there is something seriously wrong in the world to-day—wars, strikes, etc., general disgruntlement; various prescriptions for the disease.

(1) Super-productionists, the "Capitalist" party, who refuse to admit any fault in the system. The keynote of their remedy is harder work and more of it.

(2) What may be called the ecclesiastical party; keynote of their policy is "a change of heart." Their attention is concentrated in hierarchical problems, administration, etc. The legal, military, bureaucratic mind is essentially of this type, and the Whitley Council, the Sankey Report, and the various committee schemes of the Fabian Society in this country, the Plumb scheme in America, etc., are examples of it. All these schemes are deductive in character; they start with a theory of a different sort of society to the one we know and assume that the problem is to change the world into that form. In consequence, all the solutions demand centralisation of administration; they involve a machinery by which individuals can be forced to do something—work, fight, etc.; the machine must be stronger than the man.

Practically all Socialist schemes, as well as Trust, Capitalist, militarist, etc., schemes, are of this character, e.g., the League of Nations, which is essentially ecclesiastical in origin, is probably the final instance of this.

It may be observed, however, that in the world in which things are actually done, not talked about, where bridges are built, engines are made, armies fight, we do not work that way. We do not sit down in London and say the Forth Bridge ought to be 500 yards long and 50 ft. high, and then make such a bridge and narrow down the Firth of Forth by about 75 per cent. and cut off the masts of every steamer 45 ft. above sea level in order to make them pass under it. We measure the Firth, observe the ships, and make our structure fit our facts. Successful generals do not say "the proper place to fight the battle is at X, I am not interested in what the other fellow is doing, I shall move all my troops there."

The attempt to deal with one of the industrial and social difficulties existing at this time, which is embodied in these remarks, starts from this position therefore.

It does not attempt to suggest what people ought to want, but rather what they do want, and is arrived at not so much from any theory of political economy as from a fairly close acquaintance with what is actually happening in those spheres where production takes place and prices are fixed.

If we look at the problem of production from this point of view, the first thing we ask ourselves is why do we produce now. The answer to this is vital—it is to make money. Why do we want to make money? The answer is twofold. First, to get goods and services, afterwards to give expression, often perverted, to the creative instinct through power. Please note that these two are quite separate—whether a man has any recognisable creative instinct or not, he absolutely requires goods and services of some sort. We then have our problem stated; we have to inquire whether our present mechanism satisfies it, and if not, why not, and how can it be altered so that it does satisfy it.

Emphasising the fact that it is only half the problem, the only half I propose to deal with to-night, let us inquire to what extent we succeed in our primary object—that of obtaining goods and services when we produce for money under the existing economic system.

Production only takes place at present when at least two conditions are met, when the article produced meets with an effective demand, that is to say, when people with the means to pay are willing to buy, and when the price at which they are willing to buy is one at which the producers are willing to sell.

Now, under the private capitalistic system the price at which the producer is willing to sell is the sum of all the expenses to which he has been put plus all the remuneration he can get called profit. The essential point to notice, however, is not the profit, but that he cannot and will not produce unless his expenses on the average are more than covered. These expenses may be of various descriptions, but they can all be resolved ultimately into labour charges for the sort (a fact which incidentally is responsible for the fallacy that labour, by which is meant the labour of the present population of the world, produces all wealth). Consider what this means. All past labour, represented by money

charges, goes into cost and so into price. But a greater part of the product of this labour—that part which represents consumption and depreciation—has become useless, and disappeared. Its money equivalent has also disappeared from the hand of the general public—a fact which is easily verifiable by comparing the wages paid in industry with the sums deposited in the Savings Banks and elsewhere—but it still remains in price. So that if everyone had equal remuneration and equal purchasing power, and there were no other elements, the position would be one of absolute stagnation—it would be impossible to buy at any price at which it is possible to produce, and there would be no production. I may say that in spite of enormously modifying circumstances I believe that to be very much the case at present.

But there is a profound modifying factor, the factor of credit. Basing their operations fundamentally on faith—that faith which in sober truth moves mountains—the banks manufacture purchasing power by allowing overdrafts, and by other devices, to the entrepreneur-class: in common phrase, the Capitalist. Now, consider the position of this person. He has large purchasing power, but his personal consuming power is like that of any other human being: he requires food, clothes, lodging, etc.

If, as is increasingly the case, the personal Capitalist is replaced by a Trust, there is a somewhat larger personal consuming power, represented by the stockholders, but it is still incomparably below the purchasing power. What happens? After exhausting the possibilities of luxuries, the organisation itself exercises the purchasing power and buys the goods and services which it itself consumes—machinery, raw material, etc. In consequence, the production which is stimulated—the production which we are asked to increase—is that which is required by the industrial machine, intermediate products or semi-manufactures, not that required by humanity. It is perfectly true that money is distributed in this process, but the ratio of this money to the price-value of human necessities—ultimate products—is constantly decreasing for the reasons shown, and the cost of living is therefore constantly rising.

Before turning to the examination of the remedy built upon this diagnosis it is necessary to emphasise a feature of our economic system which is vital to the condition in which we find ourselves, i.e., that the wages, etc., system distributes goods and services through the same agency by which it produces goods and services—the productive system. In other words, it is quite immaterial how many commodities there are in the world, the general public cannot touch them without doing more work and producing more commodities. It is my own opinion, not lightly arrived at, that that is the condition of affairs in the world to-day—that there is little if any real shortage, but that production is hampered by prices, and the Capitalists cannot drop prices without losing control. However that may be, this feature, in conjunction with those previously examined, has many far-reaching consequences—amongst others the feverish struggle for markets, which, in turn, has an overwhelmingly important bearing on Foreign Policy. To sum the whole matter up, the existing economic arrangements—

- Make credit the most important factor in effective demand;
- Base credit on the pursuit of a financial objective, and centralise it;
- This involves constantly expanding production;
- This must find an effective demand, which means export and more credit;
- Make price a linear function of cost, and so limit distribution, largely to those with large credits;
- Therefore direct production into channels desired by those with the largest credits.

A careful consideration of these factors will lead to the conclusion that loan-credit is the form of effective demand most suitable for stimulating semi-manufactures, plant, intermediate products, etc., and that "cash"-credit is required for ultimate products for real personal consumption. The control of production, therefore, is a problem of the control of loan-credit, while the distribution of ultimate products is a problem of the adjustment of prices to cash-credits. It is only with this latter that we are at present concerned.

We have already seen that the cash-credits provided by the whole of the money distributed by the industrial system, so far as it concerns the wage-earner, is only sufficient to provide a small surplus over the cost of the present standard of living, and that only by conditions of employment which the workers repudiate, and rightly, repudiate. We cannot create a greater surplus by increasing wages, because the increase is reflected in a compound rise in prices. Keeping, for the moment, wages constant, we have

to inquire what prices ought to be to ensure proper distribution.

Now the core of this problem is the fact that money which is distributed in respect of articles which do not come into the buying range of the persons to whom the money is distributed, is not real money—it is simply inflation of currency so far as those persons are concerned. The public does not buy machinery, industrial buildings, etc., for personal consumption at all. So that, as we have to distribute wages in respect of all these things, and we want to make these wages real money, we have to establish a relation between total production, represented by total wages, salaries, etc., and total ultimate consumption, so that whatever money a man receives it is real purchasing power. This relation is the ratio which total production of all descriptions bears to total consumption and depreciation.

The total money distributed represents total production. If prices are arranged as at present, so that this total will only buy a portion of the supply of ultimate products, then all intermediate products must be paid for in some other way. They are; they are paid for by internal and external (export) loan-credit.

If prices are arranged so that they bear the same relation to cost that consumption does to depreciation, then every man's money will buy him his average share of the total consumption, leaving him with a balance which represents his credit in respect of his share in the production of intermediate products (semi-manufactures)—a share to which he is entitled, but which is now almost entirely controlled by the financier in partnership with the industries' price-fixer.

It is a little difficult to state with any accuracy what proportion of cost prices ought to be because of the distorting effect of waste, sabotage, and aimless luxury.

I am making some rather tedious investigations into this, and I can only say that I am convinced that even now prices are several times too high.

## AUSTRALIAN FINANCE.

### TRADE UNIONS OPPOSE REPUDIATION.

Melbourne, September 11.

Although the proceedings of the conference at Melbourne of the Australasian Council of Trade Unions are supposed to be secret, it was allowed to be known to-day that, after the 90 minutes' explanation of the Federal position by Mr. Fenton, Acting Prime Minister, the delegates were free to express their own views as to a solution.

As an instance of the state of mind of the extremists, Mr. Garden, Secretary of the Sydney Labour Council, blamed machinery for over-production. He proposed as remedies, first, that the Commonwealth Government should declare a state of emergency; secondly, that it should take over the whole resources of the country; thirdly, that it should use Commonwealth credit to the extent of £25,000,000 to revive and develop all productive industry, and that it should also take over all wheat, wool, and dairy produce; fourthly, that it should increase the means of exchange; fifthly, that it should immediately establish a uniform scheme of a 40-hour week; and, sixthly, that workers' wages should be increased by 25 per cent. In spite of his advocacy of this fantastic scheme, Mr. Garden was elected to the committee to draw up recommendations for the report to the conference tomorrow afternoon, when the meeting of the Cabinet Finance Sub-Committee is also due.

It is known that the majority of the conference members opposed the repudiation proposals which, in the light of the effect created by Mr. Fenton's speech to-day, may no longer be considered seriously. There is also less loose talk of a tax on interest. A plan to increase the differential rate of income-tax between income from property and from personal occupation was discussed in its place.

("Times" Correspondent in issue September 12.)

An offer of a 5 or 10 per cent. reduction in wages by the operatives of Messrs. Hibbert and Harrison, Ltd., cotton spinners, of Hyde and Stalybridge, Cheshire, was received by the company yesterday. A week ago a receiver was appointed by the company's bankers, who are the debenture holders, the amount of liability to the bank being about £74,000. The company's capital is about £250,000, and of this about £112,000 is loan money. A scheme of arrangement is being prepared, and the operatives' offer is to help ease the situation between directors and debenture holders. A 10 per cent. reduction in wages would save the company about £15,000 a year. The operatives decided it would be best to forgo a portion of their wages and receive some financial holding in the company in return.

## FREE TRADE.

Signatories to the Reply to the Protectionist Bankers' Manifesto.

I.

The Rt. Hon. Viscount Grey of Fallodon.  
Lord Ashton of Hyde.  
Rt. Hon. Lord Gainsford.  
Lord Bradbury, G.C.B. Is a Director of Williams Deacon's Bank, Ltd.  
The Rt. Hon. Walter Runciman, Director, Westminster Bank Ltd.  
The Hon. L. S. Montagu, D.S.O., Partner, Samuel Montagu and Co., Bankers.  
The Hon. Harold Robson.  
Sir Charles Hobhouse, Bart.  
Sir Hugh Bell, Bart., C.B.  
Sir Alexander Kleinwort, Bart. Is a partner in Kleinwort, Sons and Co., Bankers.  
Sir Arthur A. Haworth, Bart. Is a Director of the Midland Bank Ltd.  
Sir A. H. Crosfield, Bart., G.B.E.  
Sir Norman Hill, Bart.  
Sir Ernest W. Glover, Bart.  
Sir Charles Addis, K.C.M.G.  
Sir Arnold Wilson, K.C.I.E.  
Sir Hugh McPherson, K.C.I.E.  
Sir Frederick Chance, K.B.E. Is a Director of Martins Bank Ltd.  
Sir Dugald Clerk, K.B.E.  
Sir Charles Armstrong.  
Sir A. Lowes Dickinson.  
Sir Walter Essex.  
Sir George H. Fisher-Smith. Is a Director of Martins Banks Ltd.  
Sir George Paish.  
Edwin Adam, K.C., Edinburgh.  
W. Arthur Addinsell, London.  
H. A. Armitstead. Partner in Armitstead and Co., Ltd., Bankers.  
Attwater and Sons, Preston.  
William Bain and Co., Ltd., Lochrin Iron Works, Coatbridge.

(To be continued.)

## Reviews.

**The Brief Hour.** A Novel. By H. Du Coudray. (Philip Allan. 7s. 6d.)

Miss Du Coudray has written a very brilliant novel in a delightful setting, and her work is strikingly mature for an authoress in her twenties. The scene is laid in a Burgundian town whose identity it is not difficult to recognise, and whose university is a prominent feature. The length of action does not accord with the popular traditions of English fiction—strictly speaking, it only occupies a few hours in a day of a professor's life—from the time he gets up to the time he concludes his farewell lecture to the university at noon, dismissed on account of his association with a certain young actress who, "that summer, between two lectures of a series (Mondays and Thursdays) dealing with the medieval university, became his mistress." But crammed in between these two events abounds every variety of incident, reflection and anecdote entertaining to the human intelligence. Vineyards, dusty roads, chattering people, the stage, gastronomy, and feminine psychology, in judicious proportions. The characters undoubtedly do too much thinking to please the majority of Mudie's subscribers, and the work is rather over-involved in places, but there are no dull passages to skip, and there is a delicious vein of humour running through many of them. This book should be read. It is signal proof that in by no means all cases are the years that a young woman spends at a university wasted!

E. M.

**The Roadbook.** Compiled by Beatrice Hastings. (Christo-Buddhist Union of Non-Ritualists. Imprimerie Trémont, 29, Rue de l'Argonne, Paris 19e. Price 1s. in English, or other, stamps.)

This booklet should be of considerable interest to many people at the present time. It "contains the main teachings of Gautama, the fourth Buddha, and of Jesus Christ." It consists almost entirely of quotations from the recorded teachings of these two Masters, with a few explanatory notes. It is quite unpretending, and very simple and earnest, and may well appeal to many of those who find the controversies in the churches not suited to their needs. This appeal will not be lessened by a final note which runs, "Whoever accepts this book, or any other cited in it, whole and without applying the test of experience, is plac-

ing too much faith in a fellow-mortal." The Union is also publishing a series of leaflets, "The Christo-Buddhist Friend," copies of those published to date, the first two, will be sent to those ordering the book. Orders to be sent to Hon. Sec., C.B.U., at the above address. It is very pleasant to old readers to see the first fruits of Mrs. Hastings' work since she dropped her connection with THE NEW AGE many years ago, after having been so long and intimately connected with the paper.

L. W.

**Child and Man.—A magazine for the education founded by Rudolf Steiner.** Editor, A. C. Harwood. pp. 22. 1s. and rd. postage. Anthroposophical Society, 46, Gloucester Place, W.1.

I have received a copy of the first number of this new publication, which is intended to show the line of thought followed by teachers in the New School which has been opened at Streatham Hill. It should be of interest to all who are occupied with the Education of Children, this being a subject which is still in a very elementary state. As it is always the teacher who is of more importance than the method, detailed criticism of the contents of this booklet are unnecessary, especially as they are intended to be examples only. The general object is to awaken in the child ideas which are not merely the utilitarian ones usually associated with early learning, and it depends entirely on the teacher whether these associated ideas shall be legitimate ones or not. Personally, I should regard such a sentence as this—concerning the hexagon, which from the point of view of the writer is a very "pure" form—to be an illegitimate association of fact and rationale (at any rate, within the four corners of the article); "The bee, whose activities are of the greatest importance and service to the whole of nature, builds its comb where it stores the sweet and pure honey, in the form of a hexagon." Also I have grave doubts as to the propriety of identifying the mathematical infinity (written with a big I!) and the Infinite.

M.B. Oxon.

**This England and Other Things of Beauty.** By F. J. Gould. (Watts. 5s.)

This book is an attempt to inspire the younger citizenship with a love of the beautiful. Mr. Gould describes the charms of the countryside, contrasting the more familiar beauties of these islands with those of lands beyond the sea. He deals also with more human delights, especially with that of the craftsman in many different materials, as well as in music and words. Two dozen well-reproduced illustrations add to the interest of the book, and there are frequent narratives of the work done by particular individuals; examples range from W. H. Hudson and Cecil Sharp to Darwin. Continually appearing in the various chapters is an appeal for better and more considerate treatment of the countryside, and for a guarding of all that is good in the English regional tradition.

I. O. E.

**Practical Community.** By F. and G. Sandeman, with a Preface by Patrick Geddes. (Woodcraft Way Series, No. 16; published by the Order of Woodcraft Chivalry. Price 1s.)

This book is "tripe" from beginning to end. Here is the end: "... It is not easy at the moment to see how any expression in the form of science, philosophy, theory, creed, ritual, literature, art, or in the form of any other partial interest or activity, can be nearly so adequate to the majority, so true or so good or so beautiful, as the whole of ordinary human social life, with all its structure and texture, coordinated and organised immediately to the life of the spirit."

**The Soviet Union Year-Book, 1930.** Compiled and edited by A. A. Santalov and Louis Segal, Ph.D. M.A. (George Allen and Unwin, Ltd. Price 7s. 6d.)  
An extremely useful reference book for anyone interested in Soviet Russia, this work of 653 pages, and index, is indispensable to students, statesmen, and business men.

**The Camp School.** By Margaret McMillan, C.B.E. (Dent. 4s. 6d.)

The title of this book is misleading: the book is an account of a semi-open-air school, established in old houses and sheds and on a patch of waste land, in a London "slum." The work is described by Miss McMillan, who is a capable educationist with a passionate enthusiasm for humanity. The book closes with a tribute to her sister, Rachel McMillan, who died of overwork in this form of social service. In a preliminary chapter, with the significant title of "Economics and Waste," the author relates

how a nurse at the school clinic denied that she was doing a "great work." Children who were "cured" came back ere long with the same disease, and were elaborately "treated" for weeks, quite ineffectually, when they could have been healed in as many days of camp life with "a dinner every day." "The education rate went up," says Miss McMillan. "It didn't go up far. . . Education was . . . unpopular . . . people were repelled: the ordinary rate-payer because it cost money, the harassed wage-earner because it took his child out of the labour market." The moral is economic, as usual!

I. O. E.

**Television For All.** By Charles G. Philp. (Percival Marshall and Co. 1s. net.)

It is fairly safe to say that the energies of the atom will not have been tapped for more than a month before a popular explanation of the process will appear in print. No subject seems too abstruse for the scribe. Einstein even, did not present insuperable difficulties, and simplified outlines of his theorem may be bought anywhere. This book is written for the wireless enthusiast who knows nothing of Television. In simple, straightforward English, the techniques of transmission and reception are carefully explained without the use of overmuch electrical jargon. Naturally enough, the greatest attention is given to the Baird system, which has made tremendous strides. Readers of this journal who are interested in Space-Time may find something to interest them in the chapters on Synchronism and Noctovision. Television is a child of civilisation rather than of culture, and whether it will have a cultural influence is a question for the future. Certainly it has come to stay.

W. G.

## LETTERS TO THE EDITOR.

## WORLD DICTATORSHIP.

Sir,—As the relation between the present financial system and human welfare obviously make it necessary for the financial hierarchy to issue a steady stream of misinformation to the public, it seems to me that that hierarchy has in its mind some future condition or state of affairs, in which the misinformation will have completed its work from the international financiers' point of view, and that at that time they—the financiers—intend to openly announce themselves as world-dictators. This seems the only logical end to their activities, as they would hardly remain content to be in power without letting the world know it. Their chances of success, however, seem slender. Their present position as a "hidden hand," it seems to me, is what constitutes their power. I should like to know whether there is evidence which would throw some light on whether Finance intends to remain always a hidden hand—or first to create a helpless world and then declare.

E. C. ASHWORTH.

## MR. VOWLES AND MR. WELLS.

Sir,—Mr. Wells is a writer of fiction and an experienced controversialist, and his letter in your issue of September 18 is true to type.

I demonstrated that his previous letter in your issue of August 18 was misleading. He does not apologise. Instead he unblushingly utters and circulates further base coins of speech, a few of which I will now nail to the counter.

He says I claimed £6,000. No proof, of course. He just says it. The statement is not even remotely true, but what does that matter to H. G. Wells? Again, he insinuates that my role was to do as I was told, that I "plied" him with a one-sided correspondence, that I seek advertisement in this matter of my association with him, and that on the other hand I have reasons why I should avoid publicity on that score. The whole of these insinuations are false. He is unable to produce evidence to support one of them, though I can well believe he could produce windy ambiguities and evasive generalities purporting to be "evidence."

Again, he makes a pathetic effort to whittle down the amount of the Award against him. The glaring fact, shining right through his fog of figures, is that Wells was legally compelled to pay me £1,500, partly by cancellation of indebtedness and partly in a lump sum. In return he received nothing whatever.

He leaves it open to his readers to infer that I was disassociated from his enterprise against my will. This inference is false. After Counsel was consulted—by the Secretary of the Society of Authors, with the approval of the Chairman, and acting on behalf of a number of Mr. Wells's fellow-craftsmen who supported this action—our highly imaginative author tried to renew the collaboration and

pressed me to return my material to him as he proposed to use it. He had already said that it was excellent, though I do not admit his competence to judge, seeing that it is about engineering matters on which Mr. Wells has no expert knowledge. Having been bitten once, I finally rejected his ambiguous overtures; refusing to work with him on any terms whatever, even though this should mean that I got no compensation at all and was left monetarily in his debt. After all, I could, if necessary, always sell some shares, or a house, to pay him off.

He says that the writ against him was issued "very improperly." He just says it. No proof. It needs Henry Arthur Jones to comment effectively on this superb effort. (See *My Dear Wells*, by H. A. Jones.)

Because I ventured to draw attention to the fact that his previous letter was misleading, Mr. Wells says: "Imagine collaboration with such a man." Such, Mr. Editor, is the way in which this giant (though, I fear, ageing) intellect works.

I do not propose to be drawn further by Mr. Wells into the dark alleys of disputation where he walks and talks and wears himself (and others) in vain. My immediate purpose has been fully served by demonstrating that his assertions and insinuations about me and my work (a great lad, is H. G., for insinuation) are entirely worthless.

My material, since rounded off into a book, and checked by eminent historians, engineers, and men of science, is being published in my own name. Suggestions and alterations by Mr. Wells have been entirely eliminated.

HUGH P. VOWLES.

## "THE VERY NATURAL DREAD."

Sir,—On re-reading certain parts of "Social Environment and Moral Progress," by Alfred Russel Wallace (first published 1913), I have just come across the following passages, which may be of interest to your readers:—

"... The remedies for them (social evils) may be condensed into one general proposition; that it is the first duty (in importance) of a civilised Government to organise the labour of the whole community for the equal good of all; but it is also their first duty (in time) to take immediate steps to abolish death by starvation and by preventable disease due to insanitary dwellings and dangerous employments, while carefully elaborating the permanent remedy for want in the midst of wealth." (P. 155-6.)

Italics are as shown in the book, whereas I should wish to italicise the last twelve words. The next sentences run as follows:—

"I myself (i.e., Dr. Wallace) have pointed out how these two ends may best be achieved, and hope to elaborate them. In the meantime I call attention to Mr. Standish O'Grady's letter 'To the Leaders of Labour' in THE NEW AGE of November 21, 1912, in which, after referring to the very natural dread by the rich of any such radical reorganisation of Society, as leading to their own financial ruin (which it certainly need not do), he makes the following suggestive statement, with which I hope all my readers will agree:—

"But what they fail to perceive is, that, in a world like this, made by infinite goodness and wisdom, Right is always the great stand-by for men and for Nations, and for the rich as well as for the poor; and that Wrong, sooner or later, ends in misery and destruction." S. R.

## MR. OWEN YOUNG'S SPEECH.

Sir,—Mr. Owen D. Young's speech at San Francisco on June 19, which you have printed in your last two issues, must almost have left a permanent distortion of his cheek. But Mr. Young, in saying "This great movement of pieces of paper"—i.e., bonds, notes, bills of exchange, and certificates of stock—"which we reckon as international finance, amounts to nothing, except as it evidences a great interchange of goods and services throughout the world," said what too many intelligent powers in the world know how to interpret. They know (and, thanks to Mr. Young, must now realise) that "this great movement" amounts to nothing except the domination through finance of the rest of the world by that nation which will take in exchange for its goods and services only foreign obligations. Mr. Young also remarks that something must come in if the U.S.A. surpluses of commodities and raw materials are to go out, and that in future only foreign obligations must be accepted in exchange. (My italics.)

I ask no pardon for trying to focus your readers' attention on these points. Nothing of greater import for the future of man has ever been published than this terrible speech of the author of the Young Plan.

W. A. W.

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