

# THE NEW AGE

INCORPORATING "CREDIT POWER."

A WEEKLY REVIEW OF POLITICS, LITERATURE AND ART

No. 1989] NEW SERIES Vol. XLVII. No. 26. THURSDAY, OCTOBER 23, 1930. [Registered at the G.P.O. as a Newspaper.] SEVENPENCE

## CONTENTS.

|  | PAGE | PAGE   |
|--|------|--|
| NOTES OF THE WEEK  | 301  | THE PARADOX OF CAPITALISM. By V. A. Demant<br><i>The Protestant Ethic and the Spirit of Capitalism.</i> 307                              |
| Further comments on the barter proposals in the United States—the futility of cancelling mortgages on properties by exchanging the properties. Hitler's party wants to deport Jews or <i>disfranchise them!</i> —does it understand the elements of real government? The American loan to Germany. Sir Otto Niemeyer once more—Australia's "responsibility" to the League of Nations and to the "outside world." Speculative remarks on the technique of an Australian Social Credit dictatorship. |      | DILIGENT IN BUSINESS. By "Old and Crusted"<br><i>The Protestant Ethic and the Spirit of Capitalism.</i> 308                              |
| THE MANCHESTER GUARDIAN. (Apology)   | 305  | DRAMA. By Paul Banks<br><i>Topaze. No Flowers By Request.</i> 309  |
| THE FILMS. By David Ockham<br><i>Forward March. The Love Parade. King of Jazz. Borderline.</i>   | 305  | THE LAW AND BETTING. IV. By John Grimm<br>REVIEWS<br><i>St. Vitus' Day. A Propos of Lady Chatterley's Lover. The Bailiff Verney.</i> 311 |
| IT. By R. M.<br><i>The Unknown Self.</i> (Groddeck.)   | 306  | LETTER TO THE EDITOR<br>From H. R. Scott. 311  |

## NOTES OF THE WEEK.

We referred recently to some international barter proposals which had been discussed in Washington and had been rejected on account of the "bad psychological effect" which their adoption would produce in both the United States and elsewhere. According to the *Chicago Daily Tribune* of October 3, three other objections are raised against them, namely:

1. Interference with normal trade channels.
2. Problems of storage pending consumption.
3. "Difficulty of finding satisfactory consumers on the market for goods received by barter when no satisfactory market is available for the same goods through the regular channels." (Our italics.)

Our readers will recognise in the last item a close paraphrase of what we and they have been insisting on for ten years—namely, that the exchange of two surpluses unsaleable in their respective countries of origin does not make them saleable in the countries of destination. Japan is mentioned as having proposed to trade silk for American cotton under a barter arrangement. But the reason why Japan wants to trade silk is because of the "difficulty of finding satisfactory consumers" of silk at home. A "satisfactory consumer" is a consumer with the money's-worth of silk in his pocket. If he has got it in his pocket and is ready to spend it, he can get silk or cotton. But if he has not got it in his pocket he cannot get either—in which case the silk and the cotton may as well remain where they were made.

It will be clear to a schoolboy that if you have a country, Japan, who has £100 worth of silk that she must sell, and whose citizens have only £80 to spend; and if you have another country, America, in exactly the same position as regards cotton, there is no way of exchanging the two £20-worths of surplus products that will bring them within the purchasing range of the citizens concerned. Barter is technically no better able to solve the consumption problem than is the existing method. But what can be said is that the revival of the *idea* of barter in the above context is of educational and political advantage, firstly because, as we have seen, it manoeuvres

the orthodox experts into making statements which confirm the Social Credit analysis, and secondly, because the willingness of countries or traders to experiment with the barter-method is symptomatic of a subconscious desire to transact business independently of bank-finance. This is the "bad psychological effect" that the experts profess to see in such schemes. Although, as we say, it is technically futile to try to make tea, coffee, silk, cotton, wheat, and so on saleable merely by moving them about in the world, the very choice of these useful, desirable, and needed articles of consumption as a basis for discussion brings it nearer to the realities of the economic situation and eliminates a good deal of confusion. For instance, it is a great deal simpler to the ordinary citizen of the world to hear arguments about the exchanges of commodities which he wants, and knows that he wants, than to listen to arguments like Owen D. Young's, which amount to telling him that it is better for him if his Government will get him a new railway system in return for his Government's undertaking that he shall pay for it sometime or never in the future. When all is said and done, a barter transaction is at least an exchange of *equal values* and does not involve an addition to debt on either side; and if the exchange is in useful things like tea, coffee, silk or cotton, at least each bartering country remains in possession of wealth fit for consumption, and available therefor directly it chooses to adjust its internal financial arrangements to the end of distributing this wealth.

It is vital to realise that at present the objective of exporting goods is to wipe off a mortgage on them. If Mr. Box and Mr. Cox each possessed a mortgaged house, they would be shut up in an asylum if they proposed to get rid of the mortgages by exchanging houses with each other. Governments are just as foolish as this. Only two options are open to them; either to challenge the validity of the mortgage on their export surpluses, or to manufacture the consideration for which the mortgage will be cancelled—that is to say, to create financial credit for the purpose. The whole liability of the producers in any country to their banking institutions is really a

liability to their fellow citizens. These citizens are ready at any time to accept *goods* in cancellation of this liability. But the banks insist on receiving *money*—money which the producers have not got, and which their home customers have not got, and which foreign customers have not got. Sooner or later it will be seen that the banks must withdraw their claim or must accept Government-created credit in satisfaction of it. The working populations of the world are not going to be counted out by calculating machines.

The last news about Herr Hitler is that his followers in the Reichstag have tabled a resolution calling for the "deportation" from Germany of all Jews who have entered that country since 1914; or at least their *disfranchisement!* (*Evening Standard*, October 17). If Hitlerites conceive these two alternatives as comparable either in their nature or effect they confess themselves to be harder-baked democrats than the Government they wish to depose. The power of a Dictator is precisely his power to ignore popular mandates. If he has that power it does not matter what class or race wields the balance of voting power. In fact he could safely blow the gaff on the whole voting system by disfranchising his friends and letting his enemies do all the voting. The result would be the same as if the inmates of all our prisons and asylums were allowed to vote whether they should come out while the minority—Governors, warders, etc.—had decided not to let them out.

Another item in the Resolution calls for the nationalisation of the banks on confiscatory terms. This is a brave-sounding formula, but what does it mean? For instance, we can imagine a policy so described being applied to the Bank of England and the Big Five banks without changing in the slightest degree the anti-national policy of those institutions. The Government might call upon all bank-shareholders to surrender their shares without compensation, and might then form a British National Banking Corporation whose earnings went to the remission of taxation instead of to the supplementing of private incomes. But who would run the Corporation? Mr. Montagu Norman, Sir Otto Niemeyer and their associates? No? Well, who? Mr. Snowden, Mr. Churchill and other representative statesmen? Suppose the answer is "yes"—then what lines of policy would they follow? Have they, or has any statesman, the conception of a policy that differs in any essentials from that which is being pursued at present by the private banking institutions? There is no evidence of it; and the result would be that the nominal directors of the Corporation would act by the advice of some Advisory Council, private or official, consisting of bankers—who would be only too willing to give their advice free of charge.

The control of credit-policy does not reside in bank shareholding, but in bank administration. It is not the slightest use confiscating privately-held bank shares—which merely represent money—when the banks have the power to manufacture money *itself*. Unless the objective of administration is changed, the mere change of share-ownership will do nothing to remove the evils which the Hitlerites associate with existing bank-policy. There are three policies: (a) to restrict consumption in order to expand the means of production; (b) to restrict the means of production in order to expand consumption; and (c) to expand production and consumption simultaneously up to the full capacity of the means of production which exists at any given time. The bankers who are pursuing the "a" policy defend it (when they can be induced to say

anything about it at all) by insinuating that the only alternative is the "b" policy. "If you won't allow production to outstrip consumption," they suggest, "then consumption will outstrip production." They ignore the "c" policy, which is based on the mathematical proof that credit may be so handled as to set consumption and production running neck and neck at any speed which the physical resources and human skill of a community permit. We recommend Herr Hitler and his High Command to make themselves acquainted with this policy, together with its rationale and technique as embodied in Major Douglas's Social Credit Analysis and Proposals. If he is convinced that the banks are working mischief, and is determined to stop them, he ought to be only too eager to study a policy which they have been trying to hush up for the last ten years. If he neglects to do so, and a turn in the political wheel puts him into power, we can predict with confidence that the bankers will disarm him while he is wondering what policy to dictate. If he is going to down the financial gangsters he must be ready to draw on them at a moment's notice. They have no fear of him otherwise—for a Dictator scratching his head is a Dictator with his hands up.

A Reuter cable from New York dated October 12 says that Messrs. Lee, Higginson and Co. have issued a statement that a credit of £25,000,000 has been put at the disposal of the German Government by a group of international banking institutions. The granting of the credit is subject to the passing by the Reichstag of legislation authorising the credit and providing a plan for its repayment. Evidently these financiers have satisfied themselves either that Herr Hitler is not going to rule Germany or that there is nothing to be feared from him if he does.

According to cables in last week's Press Sir Otto Niemeyer had returned from New Zealand to Australia and was available at Canberra once more to supplement his earlier advice to the Federal Cabinet, but did not attend, for the reason that the Cabinet omitted to invite him. This left him free to accept an invitation to speak at a local meeting of the League of Nations Union where he is reported to have said, among other things (a) that since Australia is a mandatory power she is responsible to the League; and (b) that she must not conduct her internal economy as if the rest of the world did not exist. The first of these propositions suggests to us that Australia might find it advantageous to investigate what value the mandate is to her, with a view of deciding whether renunciation of it would not be a cheap price for escape from this "responsibility" to the League of Nations. It sounds flattering enough on paper for a Government entrusted with the administration of certain new territories; but there are snags in the compliment—as Britain has discovered in connection with her Palestine Mandate.

We pointed out in these pages some years ago when the victorious Allies were apportioning among themselves the colonial possessions of the Central Powers, that though they were adding to their physical resources they were not thereby adding to their financial resources—in fact they were adding to their financial embarrassments. As students of the Social Credit analysis are aware, the paralysis that affects the world's economic activities is due to the fact that Real Credit is not convertible into Financial Credit at the will of Governments or peoples, but only at the will of the Credit Monopolists, who control the direction and pace of the conversion when they permit it at all. When the

Allies annexed these territories they were increasing their Real Credit—they were nominally in control of more resources in terms of land, minerals, plant and people: but they had not the power of creating and controlling the Financial Credit necessary to exploit and distribute them in the form of consumable wealth among their subjects. Since we pointed out this truth Lord Melchett, with his rationalisation doctrine and scheme, has done a lot to illuminate it. Here was Britain, in 1918/9, busy annexing new resources overseas; and now here is Lord Melchett, in 1929/30, busy dis-annexing old resources at home—for this is what the closing down of redundant plants amounts to. The cause is international financial control, which in practice imposes a maximum limit on the total collective quantity of resources that shall be in operation in the world at any given time, and leaves statesmen and diplomats with the dangerous duty of deciding whereabouts in the world resources shall be utilised and whereabouts not.

In our comments to which we refer we also pointed out that the existence of this deadlock was the reason why the United States did not demand any share of the territorial spoils of the Great War—an ostensible renunciation which was in fact an example of the astute process known as "passing the buck." Europe and the Dominions were allowed to foreclose on ex-enemy property, and when they were in possession they discovered that the only bidder at the auction was Uncle Sam, who paid his own prices for the lots that he fancied, and left Europe and the Dominions sitting on the lumber. And as if this injury were not enough, they have had to stand gaping while Uncle Sam has gone round the world in a surplice reproving their greed on the one hand, and pleading his own unselfishness as a moral reason why they should pay up the debts they owe him. The auctioning of the Allies' spoils is not over yet. As we pointed out last week, Sir Otto Niemeyer—representing the International Auctioneers' Consortium—is advising Australia to lower her reserve prices in order to encourage Wall Street to bid some more dollar-loans.

With special reference to the question of mandates it will be useful for us to remind our readers of Sir Anton Bertram's book, *The Colonial Service*,\* which was reviewed in this journal about six months ago. In one place he remarks that whereas the political administrators of colonies and mandated territories are allowed a fairly wide discretion in dealing with the special social, commercial and legal problems that arise in the various territories, their administration of financial policy is meticulously prescribed for them down to the smallest detail. The Governor can, so to speak, forgive any sin except debt.

Reverting to Sir Otto Niemeyer's second proposition, that Australia must not ignore the existence of the rest of the world, we dealt with the idea behind this in the first of our series of references to the Australian crisis on August 21. Since then we have made further references (in our issues of August 28, September 4, 11, 18, 25, and October 9) which, if read connectedly, will be found to constitute a strong case for the direct negative of Sir Otto's proposition. And more important still, they afford indications of how Australia could proceed to reform her internal economy without reference to the "rest of the world." In Sir Otto's mouth the phrase represents the world money trust, and amounts to saying that Australia must not ignore the credit monopolists. He does not speak for the

\* Cambridge University Press. Price 10s. 6d. net.

peoples who constitute the rest of the world—and for a good reason, because upon investigation it would be found that these peoples would be only too glad if Australia refused to carry out Sir Otto's demand that she shall cut costs and dump a large and increasing balance of exports on them. What these outside peoples want is for Australia to take a balance of *imports* (ideally only imports and no exports) but, as we have seen, directly Australia tends to go in that direction the bankers hammer her exchange to stop it—i.e. they fine her for giving employment to outside peoples. Not only that, but their method of doing so robs these outside peoples of past profits besides future business. Thus, when the London banks recently raised their discount rate on Australian remittances and bills, there was the case of one of our readers who wrote to tell us that he and his friends had lost the whole of their profit on a series of transactions with Australia. It is a pretty game when British bankers make a levy on British business men to punish a third party. It would have saved their pockets if Australia had "ignored" their existence. And even granting that the bankers could prove their right to exercise reprisals on refractory Governments, they ought to be able to do so without damaging neutral interests. When, recently, two lady missionaries were killed by bandits because the ransom that they had demanded for them was not forthcoming, a good many people were moved to condemn the heartlessness of the authorities in declining to send the money. But the authorities defended their inaction by pointing out that, if they had paid up, thenceforth the capturing of missionaries and others would become as regular and lucrative a business as rum-running. We doubt whether this principle would have been applied to the capture of a banker (perhaps some of our readers in China can put the suggestion forward that the bandits try it and see) but it forms a valid basis for Australian action. Though her decision to refuse payment of ransom to the financial bandits would initially cause injury to "outside people," it would ultimately put a stopper on the ransom ramp. The "outside people" would assist in the process by the measures they would take to protect themselves in their own countries. Who can doubt that, now the missionary societies are aware of the principle laid down by the authorities in the case alluded to, the next step will be the arming of missionaries? Hitherto no Government has had the will or pluck to resist pressure for long enough to call the bankers' bluff. Australia has the resources to do so, some of her statesmen know the way to do so, and all of her people can be mobilised in support of her doing so.

Such a policy will involve a departure from certain precedents governing political administration. But every day such departures are becoming more fashionable. A dictatorship in Australia would not shock anybody after the calm way in which the rise of Hitler has been received. In 1926 the British Government, faced by a general strike of work-people, formed itself into a dictatorship of a military character. It did two vital things. It *mobilised citizens and transport*; and it *ran its own newspaper*—one which monopolised the power of disseminating news for a time. After an interval certain private newspapers resumed publication, but only with the permission of the Government, which, moreover, controlled wireless communications. Thus it was able to act, and to explain its acts day by day, without previous discussion with or persuasion of any interests or people. It knew what it had to do; namely to preserve order and maintain adequate services until the strikers, discovering that they could be dispensed with for a longer time than their money would last, would decide to give in.

This ultimately happened; and although, under different leadership, they could have resisted longer, the end was certain. For the strike had lasted long enough to show that society had survived the first shock, after which there was nothing for the men to hope for.

Now the General Strike was a national emergency precipitated by the action of the bankers in deciding to cease financing the Government's subsidy to the mining industry. This was virtually a decision to refuse the Government further overdrafts for the benefit of a certain section of the industrial community. The crisis in Australia is an equally grave national emergency and is due to the refusal of the bankers to grant further overdrafts to the Government for the benefit of the whole community. The struggle in the General Strike was between masters and men, with the banks on the side of the masters. The struggle in the Australian crisis is between masters and men on the one side and the banks on the other. The difference between the two cases is that in the General Strike the identity of the conflicting interests was realised, whereas in the Australian crisis it is not—or not sufficiently yet. How soon that defect can be remedied it is difficult for anyone in England to measure, but this need not prevent us from speculating on the possible line of action which might be adopted by a Social Credit Government in Australia. It seems probable that at the outset it would have to follow the precedent of the British Government, declaring a state of national emergency, mobilising means of physical coercion, and imposing a strict censorship on news. With regard to coercion first; it will be realised by our readers that the occasions for its exercise would differ essentially from those which the British Government contemplated. For Sir William Joynson Hicks had to coerce half the population into accepting a policy which they already understood and resented, whereas the Social Credit government would have only to use coercion for a period previous to a general understanding (and therefore approval) of its policy. It might not have to resort to it at all, but it would have to possess the means of coercion all the same. We can best show the distinction we have in mind by an illustration. Sometimes, at sea, there has been a fire on board ship, and the officers have been obliged to menace passengers or members of the crew with revolvers in order to prevent the development of an incipient panic. With order restored, the fire has been extinguished; and then everybody on board realised that the coercion was benevolent in intention and beneficent in result. And so in a political crisis of the unprecedented kind we are considering, there are likely to be certain individuals and interests who—without necessarily meaning any harm—might go and do things in a panic, or refrain from doing things through fear of unknown consequences, thereby frustrating or at least delaying the Government in reaching its objective.

It is to forestall such a contingency that Government news-censorship is vital. Scaremongering would have to be suppressed irrespective of motivation. Fools would be no less dangerous than knaves in the circumstances. But since, ex hypothesi, a Social Credit Government would possess the power of financial inducement, it would only have to use coercion after the inducement had failed—a fact which enormously minimises the extent of obstruction, whether deliberate or accidental. With free avenues of publicity the Government would explain the nature of the emergency; state its general policy; announce the reversal of the old policy of driving down wages, profits and dividends; guarantee a home demand equal to the maximum output of

goods consumable in the country; guarantee compensation to export producers and merchants (if any) whose business is suspended by reason of actions taken by foreign bankers; offer credit facilities for expanding home production in quantity and diversity; guarantee all producers against loss through natural over-production—"All your costs back plus profit, however large your harvest of wool, wheat, etc.". On the other hand the Government would also warn the public beforehand of all the possible inconveniences that it had foreseen must occur during the period of the country's isolation from the "rest of the world"; explain to them also what acts of theirs would or might play into the hands of the alien interests opposed to their national self-determination. It could also finance the publication of books, articles and pamphlets written by private advocates of the new policy.

With this publicity going on the personnel of the banking, insurance, Press, and public institutions, including the Civil Service itself, could be treated with. The majority would be set to work at an immediate rise in salary to improvise an interim technique of administering the new policy, improving it as time went on. Non-co-operation would be permitted to any (possible) conscientious objectors, who could retire on full salary (or something less) provided they remained neutral. The highest officials in these institutions would offer less difficulty still. It is the knowledge and skill of the subordinate ranks that are the key to success, for their qualities are adaptable to making any policy work, so far as it is technically workable, whereas the knowledge of the heads is only useful in the administration of a particular policy—the reversal of which, the bankers' policy now having been decided, would make their service dispensable if they did not agree to render it. There are as many and as good managers still in the depths of the staffs as ever came above the surface.

That the time is ripe for a bold policy on the part of patriotic Australian statesmanship is indicated by an item of news which says that the Australian judges are protesting against the proposal that their salaries shall be subjected to the ten-per-cent. cut prescribed for salaries in general, and are going constitutional." We remarked a week or so ago that there was more business astuteness than diplomatic correctness in Sir Otto Niemeyer's policy, on which he prided himself, of not presuming to advise the Government in what administrative details it should give effect to his financial embarrassments. This piece of caution he has avoided the embarrassment of being charged with urging an unconstitutional act on the Government. We hope that the Labour Party in Australia will make the right use of this episode, namely, not to indict the judges for trying to escape their share of a common burden, but to take their pronouncement and apply it to the general policy that seeks to impose this common burden. The cost of maintaining a population at a tolerable level of living should be the first charge on the Exchequer. If debt-compacts with foreign bond-holders make this duty impossible, the moral is that the Government should not borrow. And since it can now be shown that no Government has any need to borrow, there is a possibility of making out a strong case for the proposition that Government-borrowing is unconstitutional. A study of Lord Hewart's *The New Despotism* from this angle will materially assist anyone who desires to make good such a proposition. His case amounts to the assertion that Government Departments have, so to speak, outlawed the Law Courts. And, as we commented when reviewing this book, it is on matters

of financial policy that Departmental Orders have most conspicuously prohibited the Subject from seeking redress at Law. What you have is a financial government conducted by bankers side by side with a political government conducted by statesmen. But the Departments nominally under the control of statesmen are actually under the control of bankers and secure powers from Parliament which are used to subvert the policy of bankers. And since in the practice of government financial credit is all the points in the game the logic is for the political Government to resume control over banking policy or to abdicate and force the bankers to assume visibly the responsibility of government which they already exercise in private. You cannot have two separate and opposite principles of government embodied in one Constitution. Which is it to be?

#### "THE MANCHESTER GUARDIAN COMMERCIAL."

In our issue of September 18 we published a letter from Major Douglas commenting on the correspondence which had been proceeding in the "Manchester Guardian Commercial" on the subject of Sir Otto Niemeyer's visit to Australia.

It has been pointed out to us that this letter might be construed as implying that the "Manchester Guardian" or its associated newspapers had been actuated by improper motives in this matter.

Owing to the delays imposed by the holiday season of the year we have been prevented from correcting any such misapprehension as promptly as we should have wished, but we now take the first opportunity on behalf of everyone concerned of completely disclaiming any desire to attack the good faith of the "Manchester Guardian Commercial" and to express our most sincere regret that any reference in that letter might be thought to cast any aspersions upon this group of newspapers.

## The Films.

### Forward March: Empire.

This is Buster Keaton's second full-length talkie to be shown publicly in England. It is funnier than Chaplin's "Shoulder Arms," and I have rarely heard so much laughter in a theatre, the dialogue being at times drowned by the audible appreciation of the audience. But "Forward March" confirms the opinion I have already expressed of "Free and Easy," namely, that Keaton's art is better served by silence than by sound, and that his impersonation in "Spite Marriage" was better than anything he has since done. He is one of the very few really great mimes—in fact, he is of the Chaplin school—and it is regrettable that, unlike Chaplin, he has not been permitted to dispense with the spoken word. Not that "Forward March" is not first-class fun, but the humour might have been Titanic if the Metro-Goldwyn-Mayer organisation had not insisted on its being "one hundred per cent. all-talking."

### The Love Parade.

Ernst Lubitsch is a very clever man. He has taken such diverse ingredients as the Ruritanian scene, a logical theme capable of being treated either seriously or in the comic vein, and the humours of court etiquette, and fused these elements with a skill concealing the joining of the flats. Whether this particular technical triumph was worth achievement by such an artist as Lubitsch, who has for years been condemned to deal with trivial material, is another matter. The satire of "The Love Parade" has been overrated; there is little purpose and not overmuch humour in holding up for ridicule the vanished etiquette of vanished courts; and while Main Street may accept such a presentation as an actuality, the humour has worn somewhat thin in post-War Europe. Jeannette MacDonald, an unusually good singer, is delightful as the Queen. As for Maurice Chevalier,

the Prince Consort, I cannot personally rate him much higher than a species of French equivalent of Glenn Tryon or Reginald Denny, whose *gaminerie* I find more irritating than entertaining. "The Love Parade" has been generally released; I recently saw it at Tussaud's, where the quality of the sound reproduction appears to have undergone considerable improvement of late.

### King of Jazz: Regal and Alhambra.

For once in a way, the superlatives of the publicity department are justified. "King of Jazz" is very good entertainment; is that rare thing, a real screen revue; is definitely cinematic; and is the only film I have seen to carry on the traditions of the "Fox Movietone Follies of 1929"—not its successor of the present year. Most film musical shows are formless, and their vast array of talent is usually miscast and given nothing particular to do. In this film there are balance and design; the parts make a coherent whole; and the human material has been used to excellent advantage instead of being wasted. Among the stars in this lavish production are Jeannette Loff, a most pleasing singer; John Boles, Paul Whiteman and his Band, and a likeable couple billed as the Sisters G. The high spots include a voodoo dance, which has the unusual merit of being too short, a few extremely brief and very amusing tabloid sketches, and "The Melting Pot," a finale which ends the show on a remarkably high note. The music might have been more original and fuller of pep; and none of the specially written melodies is so effective as the "Rhapsody in Blue," with which great play is made, despite its relatively venerable age. But one can't have everything in this world, and "King of Jazz" is as excellent an entertainment as we are likely to see for a long time.

### Borderline.

This film, privately shown last week, is an extraordinary mixture of good and bad. It is not a commercial production, having been made under the auspices of the very clever people responsible for "Close Up," a monthly magazine to which I recommend all my readers to subscribe. It is silent, has the barest minimum of titles, and was shown under the most trying conditions, namely, without music, or "cold," to use the argot of the trade. Kenneth Macpherson, who is responsible for the scenario, the direction, and the cutting, is a man of ideas, with a remarkable sense of the kinema, and much of "Borderline" is pure film. But between these good moments, including many very beautiful outdoor shots, are inferior passages, sometimes monotonous, and the acting is on the whole stagey, so that the whole production is an amorphous welding of the new and good with the old and mediocre. The story I found extremely difficult to follow; the dominant impression it left on me was that of a number of not particularly interesting people who alternated between hysteria and baffled lust, with the racial prejudice of white against black as a background.

The best was not made of Paul Robeson; on the other hand, in Mrs. Robeson, who makes, I believe, her first film appearance, the screen has an interesting recruit. It is obvious that Mr. Macpherson has still to find his technique; at the moment he seems too much under the influence of widely-differentiated directors, including Pabst, which is possibly the reason why this film has unity neither of treatment nor of style. But he is certainly a man to watch, and I wish, although without excessive optimism, that one of our more enlightened film-producing companies would turn him loose in a studio and give him his head for a while. England has her Walter Summers and her John Grierson; there is no reason why she should not have her Pabst, her Florey, her Cavalcanti; if Elstree could be induced to devote a little more attention to the encouragement of native talent.

DAVID OCKHAM.

## It.

When medicine threatened to become anatomy and surgery, it proved totally insufficient, and psycho-analysis flooded Europe with talk about functional as distinct from stomatic disorders; the functional disorders, especially of the mind—not of the brain, be it noted—being treatable only by methods reminiscent of religion and ancient unscientific wisdom.

Dr. Groddeck\* has gone a step farther. As Dr. Clarke said that no homœopath would consider himself a betrayer for prescribing castor-oil in an emergency, so neither would Dr. Groddeck in such circumstances consider himself to have betrayed his faith in the psychic origin of even organic disorders. Nevertheless, he contends, and produces evidence for his contentions, there are many disorders diagnosed as organic the appropriate treatment for which would be psycho-analytic. He has nothing in common, of course, with the auto-suggestion school, or with the American business clique who sign the pledge to tell everybody they meet that "business-is-good." Groddeck does not believe even in the interpretation of analyses, which he regards as done by the physician to give the patient a display of cleverness, without being any good for healing. He is in favour only of short analysis; if results are not produced quickly, there is something wrong either in the relationship of doctor and patient, or in the method.

It is by no means possible, of course, to go all the way with Groddeck, who is rather willing to whitewash the criminal or vicious person who keeps well, and to go beyond Samuel Butler by using up all the three bags full of blame on the person who falls ill. "We do not know the meaning of sin," he says, "because we can fall ill without feeling guilty." The first thing for the physician to discover of the patient is why he makes himself ill, what axes he thereby grinds, or what obligations he escapes. The next is to show the patient why he makes himself ill. Not only does conscience make cowards of us all; it makes invalids of us, too; and a rule of healing of much wider application than hitherto exposed is to bring the patient to confess his sins and convince him that they are forgiven him. Many diseases are stigmata inflicted on themselves as punishment by those who feel guilty.

Like Hahnemann long ago, and like every doctor who takes the healing of patients more seriously than the progress of science, Dr. Groddeck is not satisfied with the labelling of diseases, however refined and precise. There are no diseases; the doctor's concern is with sick people; and a sick person is one in whom organic co-ordination has broken down. To treat organic co-ordination rather than organs requires the same sort of revolution in thought over the sphere of healing as the discovery of organic co-ordination in the atom necessitated in the mind of, say, Dr. Whitehead, who has to create all philosophy afresh, beginning with Hume, etc., on whose metaphysics physics have since been based. It requires the physician to put the patient partly in touch with the co-ordinating agent, to learn from it why its efficiency has been lowered, what it is protesting or striking against. Co-ordination is a miracle. Nobody can ever see entirely how it is done. In the platoons

\* "The Unknown Self" By Georg Groddeck, M.D. (C. W. Daniel, 7s. 6d.)

and battalions of a regiment we easily say that co-ordination is the result of training and drill, but it is also, of course, in the oath of allegiance and an infinitude of other things. In the atoms forming a crystal as a saturated solution we just as easily say that co-ordination is due to properties inherent in the atom, space, and the field; and the explanation is about as clever as saying that a limb is fractured to explain that it is broken, or that a person has neuralgia to explain that he has nerve-pain.

Organic co-ordination is more mysterious by far. When a human being grows from the union of two half seeds, the seeds bred from this not only divide the labour of making heart, stomach, liver, lungs, bones, and muscle, and blood, but, like the regiment, know where to draw the line. It is all very well to refer to evolution. No abstract hypothesis assists a baby while it grows as a plant, and nothing in all evolution or biology explains the existence of poetry, drama, and scientific hypotheses. All such things are impossible until they have happened. The pneumonia patient at the crisis dies or becomes convalescent. If the latter it is no explanation to say that he must have had a good constitution or a strong heart. People with inferior constitutions and organically diseased hearts have pulled through. Perhaps the vernacular explanation, that Something in him wanted to live, is better than all the more rationalised explanations.

Whatever it is that locks after some typhoid, some consumption, some of every kind of patient, and lets others down; whatever it is that co-ordinates organic wear and tear, during waking or sleeping, that gives one person a headache to avoid writing a distasteful letter, yet prompts another to write it and have done with it; whatever it is that directs the growing cells to fashion a proportioned baby and finally a handsome man; whatever this agent is, it is what Dr. Groddeck wants to humour, doctor, content, and put back to its neglected job. In consequence, since he has to treat it, he has to have a name for it; and he calls it just "It." If a metaphysical allusion is excusable, "It" corresponds in the individual to what the Hindu calls That in the universe; it is that morsel of That which serves—and commands—each one of us from conception to death, which is merely the point at which It abandons us. It cannot be isolated, analysed, or interviewed, yet it is at work in every electron of every co-ordinated cell of us; and although it cannot be known in any scientific sense it can be humoured, as a woman can be humoured. In fact, to humour it is almost the art of healing. Dr. Groddeck is not always scientifically clear about It, which is times he speaks of a kind of collective It, which is the god Eros, and thus recalls Miss Elinor Glyn, and her gospel of It. But clarity is, of course, unattainable; as Dr. Groddeck realises, his own tradition—he is a Freudian as far as he finds Freud useful—and also to fill up the blanks in his own knowledge—and pragmatic necessities preventing abstract, scientific, definiteness. But Dr. Groddeck is clear as a poet is clear, that is, what he tells gives life rather than an opening for philosophic hairsplitters. The name of the translator, M. Collins, does not appear on the title-page; and the translator apologises for inadequacy to the poetic task in hand. But he or she has made a good job of it, and any reader sensitive to extraordinary common-sense who will even, for his own sake, hesitate to discount extravagance too heavily, can be definitely promised enjoyable study, and much illumination of all that is creative in modern thought-practice.

## The Paradox of Capitalism.

By V. A. Demant.

In spite of the truer historical perspective induced by the Guild Movement, mediæval studies, disillusionment with Social Evolution and by anthropological sociology, there is still to be found in opposite political camps an identification of Capitalism with the economic history of mankind. It is heard in belated echoes of that phase of socialist thinking which proclaimed the new era as something that will inaugurate for the first time the liberation of man from his age-long burden of capitalism. It is sentimentally broadcast by Conservatives as evidence that any departure from capitalism would renounce the institution in which man has found his only instrument of economic progress. Many attempts have been made from Marx to Sombart to resolve this riddle by trying to discover the significance of the -ism in Capitalism, which has superimposed upon capital as the essence of economic production a form of social organisation which first oppressed its workers by a relentless and successful development and now oppresses whole communities by the economic dilemmas which its very development creates.

Max Weber in this work\* has perhaps carried the analysis as far as it will go, showing that modern capitalism is something unique in the world and that its foundations are not economic but religious. Capitalism as we know it is shown not to be identical with acquisitiveness or money making, both of which have had devotees in every culture, but the pursuit of these things from a definite motive. The spirit is found in its pristine expression in John Fugger and Benjamin Franklin who wrote "Remember that time is money. He that can earn ten shillings a day by his labour, and goes abroad, or sits idle one half of that day, though he spends but sixpence during his diversion or idleness, ought not to reckon that the only expense; he has really spent, or rather thrown away, five shillings besides."

The peculiarity of this philosophy of avarice, comments Max Weber, appears to be the ideal of the honest man of recognised credit and, above all, the idea of a duty of the individual towards the increase of his capital, which is assumed as an end in itself. "It is not mere business astuteness, that sort of thing is common enough; it is an *ethos*." Under the influence of Calvinism labour, business, and money-making became a discipline which brought the whole life under a consistent principle of economic rationalism, not subordinate to man for the satisfaction of his material needs, but as a sign of election, of being predestined to salvation. Intense worldly activity was recommended as the most serious means in dispersing religious doubts and giving the certainty of salvation. So deep rooted was the belief in ascetic business activity that even the Methodist, John Wesley, who relaxed some of the Calvinist rigorism, could in the same breath speak of the spiritual danger of riches and declare: "We must exhort all Christians to gain all they can, and to save all they can; that is, in effect, to grow rich." Wealth must be acquired, not for the sake of the wealth or for what man would do with it, but for the spiritual effect of the getting itself. The real moral objection is to relaxation in the security of possession and to the enjoyment of wealth. Only activity serves to increase the glory of God.

If this reversal of the traditionalist attitude to labour as only necessary *naturali ratione* (Thomas Aquinas) for the maintenance of the individual and the community and holding for the race and not for the individual had not produced an economic paradox it would have presented us with an historical

\* "The Protestant Ethic and the Spirit of Capitalism," by Max Weber. Translated by Talcott Parsons, with a foreword by R. H. Tawney. (Allen and Unwin, 10s. 6d. net.)

enigma. As it is, it fits in with what does appear to be the essential paradox of modern capitalism, the growth of more and more fixed capital with a relatively smaller and smaller trickle of goods for ultimate consumption and enjoyment. This results first in the wealth produced being largely apportioned by those who for various reasons had emancipated themselves from the ascetic prohibition of unlimited acquisition. The philosophy, however, seems to have become embedded in the constitution of capitalist economic thought, and this, coinciding with the substitution of natural for human energy, has eventually clogged the whole mechanism. The ease with which the conscious and unconscious aims of this ascetic impulse to be industrious could be dissociated, no doubt made this ethic the father of industrial invention. But as invention actually resulted in effecting the economic result with less of the disciplinary effort, the ethic could only be maintained by developing a theory of economic activity which masked the dissociation. If men find their supreme end in some form of practical activity, which because it is practical has some physical limit, they must find some way of prolonging indefinitely the need for such effort.

This has actually been attempted in the unconsciously evolved axioms of industrial economics which, however vehemently they are alleged to be objective and scientific, reveal on scratching them an ethical philosophy congruous with this Puritan and Kantian categorical imperative. Can we not find here the explanation of the assumption of material scarcity which underlies every discussion of wealth, production and credit in text-book and politics, in spite of the rational admission of the economic dilemma as a selling problem. The assumption that economic scarcity is the main problem and labour the main factor in production, both of which conditions have been reversed by applied science, and which underlies all the official solutions, has clearly a non-rational basis falling into line with this ethical philosophy. In its moral assumptions, its theory of production and prices, its monetary policy, the industrial world finds itself tied to a suppressed fixation that economic activity is an economic end. Its ethics are revealed in referring to the latest phase of its dilemma as the Unemployment Problem, while the unemployed are the problem because unemployment is not regarded as an achievement. What is the impulse to Rationalisation in Industry for the purpose of bringing costs down to the world competitive level for the sake of trade, but a rationalisation of the feeling that economic activity is an end to which consumption is a means? The theory of production and prices which asserts in parrot fashion that all capital is the result of abstinence from consumption likewise takes for granted a situation in which each individual (or family) produces by unaided labour the equivalent of what he consumes, in which case the production of capital demands that the producers of it must be supplied with consumable wealth by the abstinence of the community. But production now both of capital and consumable goods being increasingly of the nature of trigger action, the release of natural energy, the savings theory has not only a decreasing rational justification, but is definitely self-defeating. The fiction is maintained in the asseveration that the price factor will always resolve the selling difficulty, in spite of the fact that the present fall in world prices results not in increased consumption but in business depression. The paradox is entrenched finally in the monetary theory that the community's credit is only validly accounted for by its issue in stimulating production and trade, while production is crying for an accelerated rate of consumption on a scale to which the War gives the only analogy. It is in the dilemma embodied in these elements of industrial philosophy that lies the sting of Capitalism. Not in private

property, profit or individual enterprise. "The Puritan wanted to work in a calling; we are forced to do so," concludes this learned and fully documented work, and this cage is painted in hues labelled variously "service to the public," "the Romance of business," and over the Atlantic, "the greatest sport!" "The idea of duty in one's calling prowls about in our lives like the ghost of dead religious beliefs. . . . For of the last stage of this cultural development it might well be truly said: 'Specialists without spirit, sensualists without heart; this nullity imagines that it has attained a level of civilisation never before achieved.'"

## Diligent in Business.

By Old and Crusted.

"He that maketh haste to be rich shall not be innocent."—Prov. xxviii. 20.

"The English are just, but not amiable." Is it meant that the Puritan triumph was the triumph of religion—of conduct and righteousness? Alas! it was its defeat. So grossly imperfect, so false, was the Puritan conception and presentation of righteousness, so at war with the ancient and inbred integrity, piety, good nature, and good humour of the English people, that it led straight to moral anarchy, the profligacy of the Restoration.—*Falkland*, Matthew Arnold.

"When the righteous man turneth away from the righteousness that he hath committed, and doeth that which is a little naughty and wrong, he will generally be found to have gained in amiability what he has lost in righteousness."—*Sunchild Sayings, Erewhon Revisited*, Samuel Butler.

There is no more pertinent commentary on Max Weber's compendious, thought-compelling essay than the Rev. N. E. Egerton Swann's article on "Ascetic Commercialism," which appeared in THE NEW AGE on May 27, 1926. All that is said below should be read in conjunction with it, and if, after perusing both, the reader is induced to renew acquaintance with Matthew Arnold's studies on kindred subjects—well, so much the better. That caustic yet kindly critic of Puritanism once said that "all questions raise the question of religion," and at the last Anglo-Catholic Summer School of Sociology Fr. Widdington summed up the position in these words:

"The Church must either overcome the 'world' of Industrialism or accept defeat. The acid test of the right of the Church to moral leadership is whether it can inspire the nations it has nurtured to moralise the new civilisation and make it the servant of a more abundant life than any the masses of men have ever enjoyed."

The Church has been a weary while getting rid of the Puritan incubus, but she is evidently shaking herself free at last. It was about time.

Those who laid the foundations of a philosophy of life during the decade that included the first jubilee of Queen Victoria may well look back to those days of facile conclusions with wistful regret. So many great issues were held to be comfortably settled and provided with appropriate formulæ, all neatly labelled, ready for use in pulpit or on platform as occasion served. The Philistine was the predominant power in the land, although the forces threatening his downfall were already gathering together, led by a certain Inspector of Schools who warned his fellow-countrymen that

"if they cannot learn that the antipathies and the Shibboleths of a past age are now an anachronism for them—that will not prevent them, probably, from getting the rule of their country for a season, but they will certainly

\*"The Protestant Ethic and the Spirit of Capitalism." By Max Weber. Translated by Talcott Parsons, Harvard University. With a Foreword by R. H. Tawney. (G. Allen and Unwin, Ltd., London. 10s. 6d. net.)

Americanise it. They will rule it by their energy, but they will deteriorate it by their low ideals and want of culture."

He also added that

"the course taken in the next fifty years by the middle classes of this nation will probably give a decisive turn to its history."

Well, the fifty years have passed, and who will question to-day the pertinency of Matthew Arnold's warning?

Now amongst the Shibboleths of the Philistine one of the most popular was the belief that Protestantism spelt "Progress and Liberty," whereas Catholicism connoted all that was stagnant and tyrannical. The superiority of Protestantism was proved by the diligence in business displayed by its disciples: whereby they won great rewards and stood before kings. True, some of them occasionally came to stand in the dock before the King's representative, especially in these latter days, when the more enterprising brethren lack the restraining discipline of Calvin and Knox. Nor is the belief in the money-making ability of the Protestant confined to English-speaking communities; it has its echoes on the Continent, as Max Weber points out in the chapter on "Religious Affiliation and Social Stratification":

"A glance at the occupational statistics of any country, of mixed religious composition brings to light with remarkable frequency the fact that business leaders and owners of capital . . . are overwhelmingly Protestant."

But when we try to discover the reason of this remarkable phenomenon this learned German tells us that "the answer is by no means so simple as one might think," and it is impossible to appreciate Weber's point of view unless we bear carefully in mind his insistence on the distinction between pre- and post-Reformation Capitalism. Mr. Tawney emphasises this in his Foreword:

"Capitalism," he says, "in the sense of great individual undertakings, involving the control of large financial resources, and yielding riches to their masters as a result of speculation, money-lending, commercial enterprise, buccaneering, and war, is as old as history. Capitalism, as an economic system, resting on the organisation of legally free wage-earners, for the purpose of pecuniary profit, by the owner of capital or his agents, and setting its stamp on every aspect of society, is a modern phenomenon."

The mere lust of gain does not account for the post-Reformation development of "Capitalism." The *auri sacra fames* has always been with us, and was as rife in dead and forgotten civilisations as in Chicago and Cornhill to-day. Something new entered into the world of money-grubbing when Calvinism taught

"the fulfilment of duty in worldly affairs as the highest form which the moral activity of the individual could assume."

"Business" became a "vocation"; a "calling" pursued for its own sake and not as a means to an end. Weber selects Benjamin Franklin and Baxter as types of the new order who saw the approval of God in the success of the man who was "diligent in business." It was Benjamin who adjured his generation to

"Remember, that time is money . . . that every man that creeps is money . . . that money is of the prolific generating nature. Money can beget money, and its offspring can beget more, and so on."

He also warned the feckless and reckless spender that

"he that spends a groat a day idly, spends idly above six hundred pounds,"

and much more to the same effect. Have we not here the origin of the cult of the almighty dollar and the seed of dollar diplomacy, the very warp and weft of that Puritan character of which Mat-

thew Arnold said "its hideousness, its immense ennui, makes one shudder."

As for Baxter, not only did he urge his Puritan brethren to work hard in their calling, but he warned them that there was to be no end to toil this side the grave. Labour was ordained by God to be "in itself the end of life," and "wealth does not exempt any one from the unconditional command."

It was a cheerful world, my masters, was the world of Bunyan, Baxter, and Benjamin!

And to what end these discursive comments on "diligence in business"? They are merely intended to preface the posing of one short question: Has the "vocational" conception of money-making survived the religious sanction?

All who have tried to get the Social Credit message across must, at some time or other, have found themselves baffled—not by argument—but by an obstinate refusal to accept conclusions after agreement on certain premisses. One found oneself faced, as Max Weber says, with

"the influence of those psychological sanctions which, originating in religious belief and the practice of religion, gave a direction to practical conduct and held the individual to it. Now, these sanctions were to a large extent derived from the peculiarities of the religious ideas behind them."

Greed, ambition, lust and a dozen other passions may drive men to extremes in the pursuit of money; but there are thousands "diligent in business" who are not conscious of any particular motive and would find it difficult to give a coherent reason for their steady, unflagging industry; they seem to be impelled by some deeply implanted instinct.

"It is no mere business astuteness," says Weber, "that sort of thing is common enough; it is an ethos. This is the quality which interests us."

So it does; and what is more important still is the extent to which this "ethos" may affect subconsciously many men of affairs, even those who "are not in business for their health" and certainly not for their soul's welfare. It is a line of thought worth following up.

## Drama.

Topaze: New.

If French realism were disinterested it would be one of the world's great cultural forces. In practice it is always self-interested, which reduces it to exchange parity with American humanitarianism or English conscience. The theme of "Topaze" is political corruption, bribery, and blackmail. Although it ran for two years in Paris, London dramatic critics have found it distasteful, inasmuch as whatever practices we may have comparable with French political roguery are carried on without ostentation. Bribery is the one thing left the public discussion of which in the theatre embarrasses us. Just as the Englishwoman of last century was publicly shameful to regard even private disrobing as a little shameful, so the Englishman of the present century regards the public exposure of blackmail and confidence as indecent. His verdict, in the strictest need it be talked about? "In France everybody admits that bribery is going on, and plots for his share. In England everybody denies that bribery is going on, and plots for his share. The French hold out their hands as little children; the English cup their hands discreetly behind their backs.

Topaze began as a teacher, instilling into little children that virtue redeemeth poverty and other maxims equally useless to them in their later life. Topaze was a good teacher in at least one respect. He practised his own philosophy and was treated

accordingly by everybody, pupils and colleagues, with the merited contempt. In English idiom, he had not even the sense to see which side his bread was buttered. When Baroness Pitart-Vergnoilles promised him his coveted blue riband for moral philosophy and the job at his own fees of private tutor to her child, he could not perceive the wisdom of acknowledging a mistake; and of anticipating the progress the child would make by improving the report for the sake of improving domestic relations between Baroness and Baron. There are men too honest to do good.

The sack for stupidity converted the academic into a man of the world; or, rather, it brought him the opportunity of further education in the ways of the world, and although slow at first, the late teacher proved himself a good pupil. He rose, indeed, to a headmastership in the world, whereas he could never have advanced beyond assistant in a school. Virtue may console poverty, but it cannot redeem it. Success needs no consolation, and it redeems everything. Woman smiles on virtue, but she follows the cash-box. Such were the lessons that M. Topaze, wearing his blue riband to announce his doctorship in moral philosophy, learned in the world.

The play, it has to be admitted, has one serious technical defect, of such a character that the work is suspect of having been originally conceived as a novel. Its continuity from the first to the second of the four acts depends on the presence of M. Topaze, not on the development of a situation. All the schoolchildren whose futures have become interesting in a very lively and comic scene are left to their fate at one stroke, and new characters have to be introduced in the mass. Thus the play suffers a drag because the second act is really another first act. But few things are without blemish. With the exception mentioned "Topaze" is a joyful, comic, entertainment, as realistic in its sphere as French sexual comedy, and a welcome change from it. That Englishmen, who do not protest against the naughtiness of French farce or the immorality of Anglo-American crook-hero plays, are embarrassed by the political corruption of "Topaze" signifies that its presentation is pioneer work. It is full of witty comment, such as the explanation of a person's absence for the reason that the State had rewarded his public-service with a mountain-range in Madagascar, and he had gone to sell it to its inhabitants; or the old man's corollary of art for art's sake in reply to the challenge that he was not engaged on his first blackmail: "Do I look like a beginner?" Mr. Denham's production, Mr. Aubrey Hammond's scenes, Mr. Raymond Massey's Topaze, Delysia's Suzy Courtois, Mr. Frank Cellier's M. Castel-Benac, Mr. Frederick Lloyd's schoolmaster, and Mr. Sebastian Smith's assistant master, are all excellent, and the schoolchildren are magnificent. Topaze ought to amuse us a long time and do us good by stealth.

No Flowers By Request: Players'.

Mr. Aubrey C. Ensor has dramatised the Welsh folk corresponding to Lennox Robinson's Irish shop-keeper. Some of the lessons Mr. Ensor has learned from Lennox Robinson he has applied well. His observation, sense of humour, and talent for character drawing are all undeniably far above the average. But there are lessons he has not applied, and anybody who had insisted on some rewriting before presentation would have been Mr. Ensor's benefactor. Two characters are so neglected by the author that neither producer nor actors can grip them, in spite of their presence on the stage for a considerable proportion of the play's duration. It is painful to see so fine an old actor as Mr. Alfred Clark groping as to what to do with himself, trying to look as if he wasn't there, and then trying to make his presence felt since it must so obviously be

seen. His relief in the last act where he had a chance to act was as welcome to the audience as to him. The actor, Mr. Trevor Ward, failed to make as much as he ought to have made out of the other neglected character, but the author gave him an excuse. In addition to this fault, Mr. Ensor's last act is bad, and needs to be entirely re-cast. It is simply impossible that Harriet Williams would send for a policeman. The play is worth serious criticism; it is worth the work required to make it a straight-through character folk-comedy. Harriet Williams, until the last act, is a juicy type of matriarch, fat with character and good lines. When her husband fears he will not be able to look anyone in the face, she asks whoever heard of a shopkeeper wanting to. The servant, Maggie's, part is also one almost any actress would be glad to play. Other parts, too, are well written, for the two acts which count. That the actors dried up in the last act may be criticism as well as under-rehearsal. One part in particular, that of Maggie's sister Emily, who comes before the family rises with news for her servant-sister and hunger for the family's ham, calls for special comment. It is not only well-written. It is delightfully acted, with skill, perception, and personality. The actress, Miss Dorothy Neave, surely has a future. It is genuinely regrettable that the play was not hammered into true shape before presentation.

PAUL BANKS.

## The Law and Betting.

By John Grimm.

IV.

### V.—THE MORAL ASPECT OF BETTING.

(Continued.)

Generally speaking, people do not bet with the expectation of regularly supplementing their incomes. They know that in the long run the law of chance favours the bank, and realise that if this were not so there would be no bookmakers. Betting is a recreation, as distinct from laying, which is a vocation. Backers recognise this and are content to regard their net losses over a season, when they incur them, as the price of indulging in this form of recreation. Their attitude is graphically expressed in the familiar formula: "I've had a run for my money." You would never hear anybody whose *only* objective was to make money over a transaction comfort himself in this way when the transaction failed. In fact, so little does the money-making propensity come into the question that probably not more than five per cent. of the people who bet ever trouble to calculate whether they have won or lost on a season's racing. It does not bother them a bit. What they are after is a thrill, and though they lose, they have at least got their thrill, just as other people get theirs at the cinema. Nobody talks about having "lost" a shilling on a picture-show or a football match; and it is only through custom and convention that expenditure on the Turf is called a "loss." In both cases the money buys something; and if the person spending the money is content with what he gets for it there is nothing more to argue about.

The attraction of betting consists in the mental diversion it offers to masses of people whose daily work is monotonous and makes very little call on their mental qualities. The rapid development of automatic machine processes in industry has not simply laid numbers of workmen idle, but has also laid idle the minds of employed workmen. Even in the higher grades of occupation the machine is saving much brain-work—e.g., the adding-machines, calculating-machines, posting-machines, addressing-machines, dictaphones, etc., etc., now being installed in offices and counting-houses. Everybody

recognises that it would be a bad thing for mental qualities to stagnate; hence as the stimulus to those qualities is gradually being eliminated from occupational work it must be sought outside. And it is hardly necessary to elaborate the fact that the methods by which backers weigh the chances of horses in races bring into play several of the most useful mental faculties. It is, of course, easy enough to argue that the exercise of these faculties ought to be used for better ends than "finding winners," but the problem is (a) what other ends are available? (b) are they "better"? In the meantime it is not a bad thing that the exercise of memory, comparison, calculation, deductive reasoning, and other mental processes are applied to the problems of the Turf. The time to reprobate it will be when our rulers have made up their minds what other applications of these faculties will be more useful or enjoyable.

### VI.—THE QUESTION OF REFORM.

We have now shown that the practice of betting in all its forms is, at the very least, no more reprehensible, either from an economic or a moral point of view, than are many others which the Law treats more leniently. Strict justice would require Parliament to remove the chief disabling conditions on betting which have crept into legislation during the last half-century. The spirit of this legislation lags behind public opinion, and even behind representative Parliamentary opinion—as is evidenced by the recent policy of the Government in licensing "betting houses" and in encouraging the use of the Totalisator. Poor Sir Alexander Cockburn!—what would he have said of this "discreditable" attitude?

But the demonstration that betting restrictions are unjust will not of itself get them removed. There are always so many injustices of widely differing kinds in existence that merely complaining about them does little more than add another note to a babel of multitudinous lamentations. Argument must be supplemented by action before it becomes effective. Mrs. ("General") Flora Drummond, one of the leaders of the Suffragette movement before the war, told an interviewer recently that the burning and damaging of property which took place was not the outcome of hysteria or bad temper, but was carried out in accordance with a deliberately planned policy, which was to cause losses to insurance companies and thereby induce them to influence the Government to concede the women's demand for the vote. Now, while these methods cannot be condoned, the reasoning behind them cannot be rebutted. The "constitutional" women suffragettes at that time themselves admitted its force, although they reprobated the suffragettes' violence. They even complained that the Government should be so immoral as to concede under this pressure a right which it refused to concede to reason.

The moral in the present case is that in the face of indifference to argument the advocates of any reform must make themselves a nuisance in some direction or another if they want to succeed. The nuisance need by no means be of an illegal character: for there are many ways within the law of bringing pressure on indifferent public personages. Examples will be discussed later. Meanwhile any action as regards betting should be concerted by layers and backers alike. One impediment to such a combination of interests is the allegation of anti-betting propagandists that these interests are conflicting; that layers are lions and backers lambs. It is based on estimates of, or guesses at, the collective profits made by layers in general at the expense of backers. And backers themselves, without any prompting from outside, realise that in these days the odds now procurable, and other terms and conditions offered by layers, are much less generous

than they ought to be when considered in relation to the laws of chances, and even less generous than they used actually to be. This realisation seemed to be confirmed when the first totalisator returns were published last year, and frequently showed a tremendous disparity in price in favour of the machine against the bookmaker. (This happens less frequently now.) And everybody is familiar with Tom Webster's notion of the book-maker as a well-nourished gentleman with a cigar stuck in each corner of his mouth.

But the point is not only the size of the collective profit which goes to the bookmaking profession but the number of bookmakers (with their offices, clerks and touts) who divide up the profits. It stands to reason that twenty bookmakers handling bets must necessarily be less generous in laying odds than if only ten of them were in the business. The evil is not so much due to the average bookmaker's being over-reaching as to his profession being overcrowded. This overcrowding is a by-product of the economic situation, so the responsibility does not lie with the bookmaker, but with the political or industrial administrator. It is inevitable that the greater the number of men who are turned out of industrial employment, the greater number who will seek to keep off the dole by working as touts on commission and by making a book themselves. And perhaps an even stronger influence can be seen in the case of people still in employment, but paid such meagre wages that they resort to these means of supplementing them. If the situation is regarded from this angle, it will be clear that the lower prices received by backers are due to the fact that they are ultimately shouldering a part of the increasing burden of general industrial unemployment and underpayment. There is, therefore, no essential conflict between bookmakers and their clients; they are both victims of general conditions, and can take common action for their mutual interests.

(To be continued.)

## Reviews.

**A Propos of Lady Chatterley's Lover.** By D. H. Lawrence. (Mandrake Press. 3s. 6d. net.)

Though apparently provoked by the pirated copies of the banned novel, this book is more than a complaint. It is a beautifully-written posthumous message, summing up the author's insight into the personal side of the social problem to-day. Of this problem sex, of course, for him is the acutest symptom. "I believe there has never been an age of greater mistrust between persons than ours to-day: under a superficial but quite genuine social trust. . . . Practically all my friends would turn my real emotions to ridicule. . . . And with counterfeit emotions there is no real sex." The chatter about sex means, the author would say, that we have got sex in the head instead of where it ought to be, in the blood. There is a striking defence of the Pope and the Catholic Church as against Bernard Shaw and the moderns, regarding women's dress and the inviolability of marriage. But marriage to-day is no marriage, for it is not "a correspondence of blood. . . . nearly all modern sex is a pure matter of nerves, cold and bloodless." The book has some profound aphorisms on the disintegrating character of modern knowledge, on the rhythm of life, and on the menace in all human relations to-day. V. A. D.

**The Bailiff Yerney.** By Ivan Cankar. Translated from the Slovene by Sidonie Yeras and H. C. Setwell Grant. (John Rodker. 5s. net.)

Although Janko Lavrin in the preface to this book states that the profound racial flavour of Cankar's language defies all translation, yet it is not obvious in this case. This story reads easily. It tells of an old man in search of justice as he viewed it. For forty years he had been bailiff on a farm, which he had tilled, sowed and reaped. On the death of the old master, the new man orders the old man to be gone. But Bartholomew cannot see the justice of this. In his eyes the farm, because he had tended it for so long, really belongs to him, and so he sets out to seek a judge who will give him justice. But he finds there is no justice. He is mocked, jeered and laughed at, and finally thrown into

prison for a time. Eventually he returns to the farm and the beautiful house which he had built and sets the lot on fire. He is seized by the farm hands and thrown into the burning building and so perishes. The book can be read as a "realistic" story and as a symbol—in so far as Bailiff Yerney is a symbolic Don Quixote of Justice. As such he has a universal significance; but he can be interpreted also as a symbol of Cankar's own nation—a nation which has served, loyally for centuries, the historical destinies of Austria, with the result that Austria eventually refused to her even the elementary rights of a political and cultural existence. P. T. B.

**St. Vitus' Day.** By Stephen Graham. (Ernest Benn. 7s. 6d.)

A vivid description, in narrative form, of the immediate events which led up to the outbreak of the Great War. On St. Vitus' Day (28th July), 1389, the Serbians were defeated by the Turks at Kosovo; and thereafter they always regarded the day as sacred. The Turkish yoke was broken, 500 years later, by the Serbian Komitadji led by King Peter, whereupon Bosnia and Herzegovina were promptly annexed by the Austrians. Their Slav inhabitants chafed at the alien yoke, and the Komitadji arose again, plotting direct action and assassination. The tactlessness of the Archduke Ferdinand of Austria in choosing the sacred "Vidovdan," St. Vitus' Day, on which to make a triumphant entrance into Sarajevo, marked him out as the chosen victim. Equipped with bombs, revolvers, and poison for themselves, a group of schoolboys waited for the royal procession; one of the bombs missed its aim, while others remained unthrown through nervousness on the part of their bearers. A lad named Gustav Princip shot the Archduke and his wife; he and his comrades were tried, condemned, and imprisoned under such brutal conditions that within a few years they had all died, and their bodies were taken from prison and buried with honour in Sarajevo. "The Bosnia they died for is free. And who shall think ill of them now?" I. O. E.

## LETTERS TO THE EDITOR.

### "PRODUCER" CREDIT.

Sir,—In your issue of Sept. 4, on page 226 you publish under the title of "Producer Credit," the reply of August 27 sent to me by Major C. H. Douglas to my short analysis of monetary systems, but as you have not published this synopsis, your readers may wonder what it is all about. I also sent a copy to you, but you have ignored it, also several other communications on the subject of currency and credit.

In case you have destroyed the original leaflet, I send you another by this mail. I do not advocate Producer Credit nor Consumer Credit either, but Trade Credit as reflected in I.O.U.'s issued by merchants in payment of "value received" from producers; these private instruments of credit are negotiable by producers with banks, renegotiable with the Central Bank, and then convertible into new currency, which is destroyed when the I.O.U. is redeemed.

The terms of convertibility are fixed and reliable and unlimited in extent within the discretion and judgment of the Central Bank, which is responsible to the office of issue for the return of this new currency, plus the fixed tribute demanded by the State for its use in moving all wares into consumption as needed.

The price of gold is left to the discretion of the Central Bank; it is not fixed as to-day.

All foreign exchange rates are left free to adjust themselves with reference to the balance of payments. This is the natural economic order, and any attempt to peg exchanges to gold leads to the evils we see all round the world to-day, except in Spain and Venezuela.

H. R. SCOTT.

[All credits that enter into costs are "producer-credits," as we use the term.—Ed.]

"Letters to the Editor" should arrive not later than the first post on Saturday morning if intended for publication in the following week's issue.

### SUBSCRIPTION RATES.

The Subscription Rates for "The New Age," to any address in Great Britain or Abroad, are 30s. for 12 months; 15s. for 6 months; 7s. 6d. for 3 months.

**CHRISTO-BUDDHIST UNION OF NON-RITUALISTS.**

**THE ROADBOOK.** Main text of both doctrines. Learn in an hour from the Buddha's own words what Buddhism is. Obtainable in London from Luzac, and J. Watkins. One Shilling. Ask for free leaflets.

*A consecutive introductory reading course in Social Credit is provided by the following sets of pamphlets:—*

**SET A.**

Comprising:—

Social Credit in Summary (1d.).  
The Key to World Politics (1d.).  
Through Consumption to Prosperity (2d.).  
Great Britain's Debt to America.  
Post free, 6d. the set.

**SET B.**

Comprising:—

Set "A" above.  
The Veil of Finance (6d.).  
Post free, 1s. the set.

**CREDIT RESEARCH LIBRARY, 70, High Holborn,  
W.C.1**

**THE "NEW AGE" CIGARETTE**

Premier grade Virginian tobacco filled by hand in cases made of the thinnest and purest paper, according to the specification described in an article in this journal on January 23.

Large size (18 to the ounce). Non-smouldering

Prices: 100's 7/6 (postage 3d.); 20's 1/6 (postage 2d.)

Price for export ex English duty quoted on minimum quantity of 1,000.

**FIELDCOVITCH & CO., 72, Chancery Lane, W.C.2**  
(Almost on the corner of Holborn and Chancery Lane)

**The Social Credit Movement.**

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

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

**CREDIT RESEARCH LIBRARY****Books and Pamphlets on Social Credit.**

**BRENTON, ARTHUR.**

Social Credit in Summary. 1d.  
The Key to World Politics. 1d.  
Through Consumption to Prosperity. 2d.  
The Veil of Finance. 6d.

**COLBOURNE, M.**

Unemployment or War. 12s. 6d. (Procured from New York to order.)

**DOUGLAS, C. H.**

Economic Democracy. 6s.  
Credit Power and Democracy. 7s. 6d.  
The Control and Distribution of Production. 7s. 6d.  
Social Credit. 7s. 6d.  
These Present Discontents: The Labour Party and Social Credit. 1s.  
The Engineering of Distribution. 6d.  
Canada's Bankers and Canada's Credit (Reprint of Major Douglas's Evidence at the Government Enquiry in Ottawa). 2s. 6d.  
The World After Washington. 6d.  
A + B. 1d.

**DUNN, E. M.**

The New Economics. 4d.  
Social Credit Chart. 1d.

**H. M. M.**

An Outline of Social Credit. 6d.

**HATTERSLEY, C. MARSHALL.**

This Age of Plenty. 3s. 6d. and 6s.  
Men, Money and Machines. 6d.

**POWELL, A. E.**

The Deadlock in Finance. 5s.  
The Flow Theory of Economics. 5s.

**SHORT, N. DUDLEY.**

It's Like This. 6d.

**TUKE, J. E.**

Outside Eldorado. 3d.

**Critical and Constructive Works on  
Finance, Economics, and Politics.**

**CONNOR SMITH.**

Where Does Money Come From? 1s.

**DARLING, J. F.**

Economic Unity of the Empire: Gold and Credit. 1s.  
The "Rex"—A New Money to Unify the Empire. 2s.

**FOSTER, W. T., and CATCHINGS, W.**

Profits. 17s.

**HEWART (LORD).**

The New Despotism. 21s.

**HORRABIN, J. F.**

The Plebs Atlas. 1s.  
An Outline of Economic Geography. 2s. 6d.

**MARTIN, P. W.**

The Flaw in the Price System. 4s. 6d.  
The Limited Market. 4s. 6d.

**McKENNA, RT. HON. REGINALD.**

Post-War Banking Policy. 7s. 6d.

**Instructional Works on Finance and  
Economics.**

**BARKER, D. A.**

Cash and Credit. 3s.

**COUSENS, HILDERIC (Editor).**

Pros and Cons. A Guide to the Controversies of the Day. 3s.

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

Published by the Proprietor (ARTHUR BRENTON), 70, High Holborn, London, W.C.1 (Telephone: Chancery 8470), and printed for him by THE ARGUS PRESS, LIMITED, Temple-avenue and Tudor-street, London, E.C.4