

THE NEW AGE

INCORPORATING "CREDIT POWER."

A WEEKLY REVIEW OF POLITICS, LITERATURE AND ART

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NOTES OF THE WEEK.

In *The Times* of January 5 there is a cable from its Correspondent in New York reporting a "farmers' riot" in Arkansas. On the night of January 3 the business quarters of the town of England was stormed by 500 farmers, who shouted for "bread and work" and threatened to loot the shops of the town unless they and their children were fed. A local lawyer, Mr. George Morris, tried to pacify them but was howled down by the farmers, who shouted: "We want food and we want it now. Our children are crying for food, and we are going to get it." One of them told Mr. Morris that the farmers were willing to work for as little as 50 cents. (2s.) a day but "they would not starve or let their families starve." In the meantime the shopkeepers—themselves in an impoverished condition owing to agricultural depression (!) and the failure of the local bank" (!!)—telephoned the Red Cross authorities at Little Rock and got permission to distribute food to the value of 11s. per family on behalf of the Red Cross. They distributed the supplies, and the crowd dispersed for the time being. "But," the Correspondent continues,

"Mr. Morris said last night that they would undoubtedly return as soon as their supplies were exhausted. 'The merchants of [the town of] England must either move their goods or mount machine guns on their stores.'" (Our italics.)

The account goes on to describe the conditions in the State of Arkansas. It says that the farmers of Lonoke County were formerly fairly prosperous, but "drought, accompanied by a heavy fall in the prices of agricultural products, have reduced them to penury. . . . Many of them have lost their independence through inability to pay interest on mortgaged farms . . ." (Our italics.)

We are bound to pay this tribute to *The Times*, namely, that its news-service often disinfects its leading articles. A story like this has the same effect on us as does a generous saucerful of meat on our cat; she sets her nose pecking all over the bewildering assortment of odours before she can decide where

first to fix her teeth. The greater the daintiness of the meal the greater the indecision where to attack it. What shall we bite on first?—farce? comedy? tragedy? or what?—they are all there in the story; and really we have fulfilled our function merely by laying it, just as it is, under the noses of our epicurean supporters. File reverently by it, friends, and scent it as you pass. At least something like this was our primary mood when we saw it. It is a concentrated extract of human folly, and if we were going to advertise it we should paraphrase the well-known beef-juice slogan to read—The Ass In The Teacup.

There are joking allusions sometimes made to competitions between people to see who can tell the biggest lie. We remember that in one story the prize-winning effort was: "Once upon a time there was an honest lawyer." But this can be put completely in the shade with the effort:—"Once upon a time there was a food-less farmer." We should not get a prize for it to-day because we live in a period of high civilisation. But centuries ago, before the marvels of scientific achievement were born, the common people would have unanimously acclaimed us as the champion liars of the year. "A food-less farmer!—Ho! Ho! Ho! that's a one-er if you like," they would have chortled over their quart-mugs. Old Granfer Giles would never have foreseen that sound finance would transmute the growing of wheat into the manufacture of wheatpools.

But the comedy attaching to this episode is superficial. It is much as if some waggish fisherman were to draw a funny face and stick a false beard and moustache on a storm-cone: when hoisted, it would entertain the children on the quay, but not their mothers whose men were afloat. According to the *Morning Post's* account of the outbreak, it appears that many of the participants were men of former affluence—men whose dignity and self-esteem might have been counted on a year ago to render inconceivable the idea that they could ever condescend to mix up in a looting expedition. In fact the account mentions that some of them were weeping: and who

shall say that the spring of their tears was not as much ashamedness as it was destitution? There was a sentence which we quoted once from a history of the Chartist Movement in which the author remarked, in passing, that the storm-centres of violence were always in places where the people had *known better times*. It is not your chronic under-dog who goes over the top, but men who once enjoyed some measure of authority and initiative. This truth makes the policy of deflation essentially a provocation to revolution. Self-respecting men will patiently bear the consequences of their own errors of judgment, or the consequences of manifest natural disasters; but they will not put up with artificially contrived visitations of distress when once they realise their nature. Of course, when destitution is absolute and physical starvation becomes a visible phenomenon, there is an end of all discrimination as to causes, and everyone rushes directly to grab food at the nearest place where it is to be found. The owners of the food have to remove it or mount machine guns over it, as Mr. Morris remarked of the present crisis. Yet the political consequence of using machine-guns assumes unprecedented gravity when it involves the mowing-down, not of life-long labourers, but of the social equals, and probably superiors, of the food-holders. Shall thoroughbred eat thoroughbred?

It is a curious coincidence that on December 29 a Reuter cable reported from Buldana (Berar) that in the surrounding district damage had been done in several villages as a result of outbreaks caused by agrarian discontent. The most serious trouble occurred at Bibi where a body 500 strong attacked the houses of 13 local landlords and money-lenders. In addition to looting of jewellery and other articles, the storming party *burned account-books and promissory-notes*. They lit fires to extinguish debt—and that is what the world's bankers are inciting the world to do by their insensate methods of depressing the life-standard in the name of the gold-standard. A feature of the outbreaks, Reuter says, was the *complete absence of personal violence*. That shows sound instinct on the part of the incendiaries: their enemies were insentient documents, not sentient men; or, if sentient men, not the creditors who held the documents and, who, moreover, did take the risk of living among their debtors; but distant men—arch-creditors in high places, whose anonymity makes them immune from attack.

Readers will observe that these native raiders, except that they took the law into their own hands, were doing essentially the identical thing that Mr. Strickland proposes in his Palestine Report which we discussed last week; that is to say they were forcing moneylenders to write down their claims. They did not wait for somebody to form a co-operative credit society to do this in a proper constitutional form; which again showed sound instinct, because thereby they destroyed existing liabilities to individuals without incurring new ones to an institution—an institution which, as we showed last week, would stand in a position of "unlimited liability" to the banks on the one hand, and of unlimited authority over the Arab cultivators on the other.

The Barrow-in-Furness Chamber of Commerce recently tabled a resolution for the Association of British Chambers of Commerce to consider at its annual conference. The resolution referred to the heavy burden of taxation on trade, and recommended that if no relief were forthcoming there should be a *concerted refusal of members of Chambers to pay their income tax*. It goes without saying that the Association repudiated this policy, stating that it

could not approve any action which was not in conformity with the law. But it is indeed a sign of the times for such a proposal to have emerged within a federated body traditionally so constitutional and correct as this Association. No doubt the members who found themselves asking for such direct action have been a little surprised at themselves for having got into this "improper" state of mind; and, like the Arkansas farmers, are bewildered by their strange new impulse to lawlessness. We have frequently said, in these pages and in private conversations, that existing financial policy would not only multiply impulses to revolt, but would cause them to become manifest on higher planes of economic life than before. The cancer of direct action would eat its way up from the strike-class and the lock-out-class, and would tend to proceed at an accelerated rate the higher it went. And, what is more important still, we said of these assorted manifestations they would make their appearance at shorter and shorter intervals, developing from a discrete manageable sequence of revolts to a confluent uncontrollable mass of revolt in all sections of society. There is such a thing as a "velocity of circulation" applied to ideas and plans of resistance; and we may expect that imperceptibly, and unwittingly, disaffected groups of citizens, from the bottom to the top of society, will be constrained to divert the exercise of their ingenuity from the old problem of correlating their several *obediences* to the Constitution to that of correlating proposed *disobediences*. Dimly apprehending that in the case of each group singly there is no constitutional way out, they will proceed to co-ordinate their respective schemes of escape, thus invisibly transforming the character of the old Constitution. It is not—to apply scriptural language—that they wish to be unclothed of all constitutional limitations and restraints, but rather to be clothed upon with another, and a righteous, code of civic conduct.

All civil laws are by-laws passed within a financial frame of reference that is believed to be immutable. This frame of reference consists of financial axioms which have never been formulated and synthesised in a form in which they could be understood, much less discussed, and still less criticised. The British Constitution operates within a controlling and constraining Financial Constitution—and an Unwritten Constitution. Hence all citizens have been hedged round by laws based without exception on the principle that whosoever acts against the spirit and practice of accepted financial procedure is betraying his fellow citizens; that he is ignoring the will of the majority, or prejudicing the interests of the majority, by insisting on his own conscience or his own interest. But now these financial axioms which have caused this illusion have been exposed and discredited by Major Douglas by reference to facts and methods of reasoning which are accessible to everybody and comprehensible to most people who will study them patiently and systematically. Since no authoritative answer to Major Douglas has been forthcoming from the high bankers the case goes against them by default. The Constitution therefore must be held to be a *sectional Constitution* and therefore, measured by an ideal standard, an unconstitutional Constitution. And so, acts of disobedience to this Constitution are why to-day, men of peaceful spirit and good reputation are forsaking their traditional customs of behaviour and are adopting methods of violence. They know they are wrong, yet they feel they are right. "If our hearts condemn us not," wrote the Apostle, "then have we confidence towards God." To tell the Arkansas farmers that their instinct of survival is "unconstitutional" is to damn the constitution in

these days of unprecedented profusion of visible supplies of the things which ensure survival.

Lloyds Bank directors have decided to reduce the rate of dividend on the "A" shares (representing £14,372,956 out of a total of £15,810,252 share capital) from 16-2-3 per cent. to 15 per cent. for the year just closed. Profits last year were £412,568 less, at £2,129,516, than the previous year. The official statement is that

"Having regard to the depressed condition of trade and to the uncertain outlook for the future the directors . . . have determined that it is more prudent to make a substantial increase in the internal reserves."

Accordingly £400,000 is being appropriated out of the reduced profits. We hope that no widows and orphans will suffer by the reduction. We say this because we have observed a tendency here and there for speakers on finance to emphasise the comparatively wide diffusion of bank-share-holding among the public. We presume the idea is to create the impression that any outside interference with bankers' policy may jeopardise humble homes as well as the stability of the bank. If so, it becomes a puzzle to know exactly why "depressed trade" and an "uncertain outlook" should warrant a withholding of dividends from humble people who could have been expected to spend the money, thus relieving the depression and mitigating the uncertainty. But of course this is only a debating-point. The reduction in dividend for the most part will only affect bankers and their associates, who would in any case have re-invested the now with-held difference, and who probably will re-invest the whole of the dividend they are going to receive. The transaction is merely a bit of stagecraft designed to deepen the impression that financial credit is a very precious and scarce commodity which even the banks themselves must hang on to while they are lucky enough to earn some.

The Public Secondary Schools Cadet Association held its annual general meeting at the Guildhall on January 5. It was the first meeting held since the War Office's recognition of the Cadet movement was withdrawn. Colonel R. F. Pearson, the Camp Commandant, referring to the new regulations, said:

"We must not slope arms or present arms with innocuous rifles: that is 'militarism.' But there is no reason why we should not have a glorified miniature Bisley: that is not 'militarism.' (Laughter.) Your sports and pastimes will go on as before."

An officer from Dorset said that in his area they had no definite instructions whether their D.P. rifles, all of which were innocuous and would not fire even a cap, were permissible or not. The Honorary Secretary, in reply, said that Lt.-Gen. Sir Hugh Jeudwine had learned on good authority that it was *illegal to drill as a body even with innocuous arms*. (For a full report of the proceedings, see *The Times*, January 6.)

The withdrawal of War Office recognition was an act of economy and a gesture of pacifism on the part of the Government. But the saving was small, and the gesture negligible as a pacifist object-lesson. We fancy we smell the bankers' encirclement policy behind this action—their principle of filching away rights on the instalment-plan. We have little knowledge of what changes it will bring about in the training of Cadets, but apparently they are going to carry on in spite of the restrictions now imposed on them; for only three out of eighty-seven public secondary schools affiliated to the Association have disbanded their Corps, and two of these had notified their intention to do so before the announcement of the

Government's withdrawal of recognition. There is no information what has happened in the Cadet movement as a whole—the British National Cadet Association, to which the P.S.S.C.A. is affiliated—but the indication is that the movement will continue at not much under its old numerical strength. Perhaps some of our readers who have experience in the conduct of this, or any related, scheme of "military" training can offer suggestions as to why the prohibition of even innocuous rifles has been considered necessary in the case of drilling, while apparently shooting at targets with real rifles is allowed. Again, with regard to a remark by Lt. J. T. W. James at the meeting, that

"the question of training at this year's camp has become somewhat difficult. We cannot carry out squad, platoon and company drill for three hours every morning, and we shall therefore have to evolve something else of educative value to occupy their time."

—What is the significance of this? How have they hitherto filled up the "three hours every morning"? We shall be interested to receive information on this matter.

Regulations concerning firearms in the hands of civilians have a bearing on the subject of revolutions, which recent events in Latin America have made a lively one. Revolutions nowadays are directly connected with loan-policy. Hence an article by Mr. Drew Pearson in the *Nation* (New York) of December 10 entitled "Loans and Revolutions" is worth notice here. The author's reference is of course to South America. We need hardly say that in general it underlines everything that we have said about the origins and objects of the revolutions in Bolivia and elsewhere. In content and import the article can be described as an extension of the book "Bankers in Bolivia," which we have previously referred to. Mr. Pearson gives an amusing account of how Augusto B. Leguia, the recently deposed dictator of Peru, developed his technique of government from 1908 until just recently. In the early days he had some narrow escapes from being dragged out of his palace and shot by his own troops. Subsequently he was exiled, but seized power again in 1919. In the meantime he had evidently been making "private contacts," as *The Times* would say; for on his resumption of power Peru became famous as the outstanding friend of the United States of America. Leguia declared a national Peruvian holiday every Fourth of July. He placed a portrait of President Monroe in the hall of the Peruvian Parliament. During the visit of President Hoover to Peru a drunk sailor, on shore leave from the U.S.S. Maryland, shot an offending Peruvian policeman, but Leguia allowed no word of it to reach the ears of the Peruvian populace. Then a U.S. naval mission came to train the Peruvian navy, and U.S. monopolists got control of the telephones and oil resources. Coincidentally with this policy of good-will Leguia began to receive loans from North American bankers. Leguia not only borrowed himself for federal purposes but encouraged various municipalities to borrow. The loans went to pay for what appeared to be beneficial public construction—roads, sewers, irrigation, etc. It was subsequently discovered however that Leguia adopted an ingenious method of construction. He farmed out much of the work to his *military commanders*. He sent a regular monthly instalment of money to this commander for roads and that commander for port-improvements. But he did not specify how many miles of roads were to be built, or the quality. Mr. Pearson comments:

"This . . . was no more corrupt than the method by which construction contracts are let in many of our larger cities, and it had the all-important merit of keeping peace in Peru. As long as

loans were coming from the United States, and as long as per-centages of these loans were regularly reaching the pockets of the military, Leguia was able to exile his enemies, imprison labour agitators, and run the country pretty much as he pleased. The military did not drag him out into the Plaza de la Inquisicion as they had done in his less-experienced days as dictator. They did not snipe at his house at night. They were his most obedient servants; and American loans did it."

The author alleges the same sort of thing about every other State in South America but one. Argentina, he says, was the only government which did not owe its prolongation of life chiefly to American loans—although Argentina is over-borrowed beyond any reasonable capacity to pay. As an example:

"The federal government of Brazil . . . had negotiated . . . the famous Dillon, Read loan of \$25,000,000 for the electrification of the Sao Paulo Railway. Although the loan was negotiated eight years ago, not even the price of a flashlight battery has been spent towards electrifying the line."

The author says that President Machado remains in Cuba only because of the financial and political support of the United States; and that Dictator Gomez in Venezuela, though practically free from external debt, is able to exercise "the most tyrannical dictatorship in the Western Hemisphere" only because the income from Andrew W. Mellon's and other British and American oil companies "permits him to continue paying his army."

According to the U.S. Department of Commerce, the total of U.S. loans to Latin America is now approximately \$5,500,000,000. The whole of these loans, declares the author, have been passed on to the people of the United States; for these people had the greatest confidence in any bond bearing the stamp of a foreign government, and the supposed approval of the State Department. The bankers merely "pocketed the commission." The author says that the attitude of the State Department in matters of loans has been misunderstood: it can *disapprove* a loan, but it never permits itself to *approve* one—what it does is to *raise no objection!* This fine distinction, he says, is lost on the public, who mistakenly think that the State Department has satisfied itself of the borrowing country's capacity to pay. The State Department defends its seeming neglect to protect investors by pointing out, for example, that when it vetoed the Brazilian coffee loan in 1924, the Brazilian negotiators went to Lazard Brothers in Paris and London and got the loan from them. Lazard Brothers then sold the bonds in the United States. There is a deficit in every Latin American country. A survey of the Latin American loans from 1913 to 1926 shows that the total borrowing for the continent during that period just about equalled the total deficits. "Governments borrowed money, incurred deficits to meet interest payments, and then borrowed more—until the crash came." Concluding his article Mr. Pearson says:

"According to international law, if a nation can prove collusion between the bankers and its officials, it is justified in asking for debt cancellation. Under circumstances where representatives of as many as eight banking houses were in one capital all bidding for a loan, and where the most favourable bidder did not always get it, proof of collusion would not appear to be difficult. Certainly the facts surrounding the \$25,000,000 loan for the electrification of the Sao Paulo Railway are such that the new government of Brazil might go before an international tribunal and reasonably expect cancellation. In that case the loss would fall not upon Dillon, Read, but upon the people who bought the bonds."

We recall a week-end conference of Social Credit

supporters and friends held at Jordans in, we think, October, 1921. Among the latter was a banker. We have always remembered one thing he readily agreed to when it was put to him and that was that the prime concern of a banker in lending money is to make sure he can get it back, and that the use made of the money by the borrower is of no moment. The point came up with regard to the hypothetical case of an oil well: "If," he said, "the borrower gave me adequate security for repayment, it would not matter to me whether he sunk a well with the money, or whatever else he did with it." And why, indeed, should it? So, with regard to United States' financing of Latin America, the banking houses did not trouble about corruption in the borrowing countries—whether an electrification loan electrified anything or did not. Why should they, when American investors were going to pay good money, dollar for dollar, to buy the bonds? Foreign loans, as Mr. Owen D. Young said recently, move goods out of the United States: but what goods are moved, or where they are moved to is of no particular consequence to the bankers so long as the exports take place. Nor are they interested in the movements of goods as such, but in the financial consequence of such movements.

The sequence of transactions involved is something like this. It begins with the fact that at any given time there is so much bank-credit out on loan to U.S. industries. Call this, say, £1,000. The banker agrees to lend, say, £200 to a Latin Dictator. But he does not hand over any money; what he does is to extend to him the right to buy goods to the value of £200. In many such contracts there would be a stipulation that he should buy U.S. goods, but this is not strictly necessary from the banker's point of view. If the Dictator buys £200 worth of goods from any other country he will pay for them by transferring to it his right to buy U.S. goods. So it comes to the same thing in the end; the right-to-buy, inherent in the loan, will ultimately be exercised by someone or other in the U.S. market for U.S. products. Since, as we have seen, the banker takes the Dictator's bonds and sells them can public have paid £200 to U.S. manufacturers for U.S. products, which have been moved out of the United States. The banker, as seller of the bonds, would, of course, handle the £200 before the manufacturers, but that makes no difference to the principle that the investors pay for the things that the Dictator actually gets. Lastly, since the manufacturers were owing the banker £1,000, it is very probable that the investors' money would be paid over by the banker to the manufacturers, but would be applied to the cancellation of their borrowings to the amount of £200. This is, of course, concealed deflation. The investors in the lending country pay in their money, and it is destroyed. On the chosen figures, there is now £200 more of money in circulation, and £200 worth of security-paper seeking buyers in the Stock Exchange market. The investors are naturally under the impression that, because they have parted with money representing the loan, the Dictator who contracted the loan has got the money and can pay it back. The money has gone out of the country, they think. They are half right. While the money has not gone out of the country in the sense of being transferred to another country, it has gone out of the country in the sense of having gone out of the world! It has dissolved into thin air, as *The Times* financial writer unguardedly remarked last week about the shrinkage of stock-values in Britain.

Mr. Drew Pearson places his emphasis wrongly when he fixes on the bankers' commissions as his

point of attack. These represent the least part of the injury they do to the community. For every shilling they extort in profits they cause losses running into Pounds. His statement just quoted that the total borrowings of the Latin-American continent in 1913-26 have been just equal to its "deficits to meet interest payments" confirms the analysis we have just made. The Latin-American continent got no dollars, but had to pay dollars. It could only get dollars by borrowing them or else by selling extra goods in the United States to the value of the dollars owing. But how could it sell more goods for more dollars to a people who, by reason of having subscribed the loan, had fewer dollars to spend? Further borrowing was inevitable quite apart from fiscal impediments to the marketing of goods in the United States.

The situation in Latin-America is worth the attention that we have given to it. The series of revolutions that have occurred there are important because their character gives them away. They are all bloodless—which means that the army and navy have gone over *en bloc* to the other side—which, again, means nothing else than that the high commands have chosen to be loyal to a *different paymaster*. All these Dictators keep in power so long as they can pay their army; and they go out of power as soon as they cannot pay or are over-bidden by others who will pay more. Public opinion? Bunk! Again, in all cases the revolutionaries most obligingly go back to work the next morning, thus proving that you can have a revolution virtually in the lunch-hour if the right people run it. Business as usual—no heads broken, no working-hours lost. All that happens is that one or two political gentlemen who have been sitting at one or two desks make way for one or two other political gentlemen. Really, there need not be even this change, because the function of all of them at any time is merely to sign papers prepared by the financial gentleman who happens at that time to be paying the army. Nevertheless, a populace expects, when it has "overthrown a tyranny," to see at least one or two new gentlemen with pens signing State papers: it is the only evidence they have—or ever will—that anything has changed because of the revolution. The point of these observations is this: it is very interesting to have such object lessons of how, once you control credit and can pay your military and civil administrators, you can do what you wish over the heads of the people, and get their help in doing it. And if, after an abrupt political change, a people were to experience an immediate advance in economic comfort and a steady progress towards the elimination of poverty, that would mean good-bye to any prospects of counter-revolution—the person who hinted at it would probably be lynched. Mr. J. O. P. Bland, in his book on China, tells of a Chinese general who, coming with his army into a remote district, found that the money-dealers were raising exchange rates against his soldiers. He went to see about it, and was met with the reply that such things were inevitable in commerce. His answer was to the effect that the rates must be down in the morning or he would behead the chief dealers. The rates came down all right. And there are several economic "laws" which the bankers say they are powerless to overcome, but which they very soon will when once they are ordered to do it by a Government which knows how to do it and is prepared to see the job through.

The Maharajah of Kashmir, who is one of the delegates to the Round Table Conference, has been making "private contacts." According to the *Evening Standard* he has paid several visits to the City in connection with the establishment of "the

new Kashmir State bank, in which the Maharajah is greatly interested."

"The bank is to be managed by Indians, worked on the latest principles of banking. . . . The State will have no share in the administration or working of the bank, but a supervisory board will be appointed and will act in an advisory capacity in so far as the directors are concerned."

At one time, when a man's conscience bade him atone for youthful follies, he entered a monastery. Now he establishes a bank. It is quite appropriate; for both institutions symbolise the saving virtue of Renunciation.

In the "Persian Art" Supplement to *The Times* of January 5, which consists of 24 pp. of information about, not only the exhibits at Burlington House, but Persia's people, economic resources and so on, there is, of course, the inevitable chapter on Currency and Banking. It is interesting as an account of Persia's coming on to the gold-standard, but the reason for our noticing it was the remark made in the first few lines which are as follows:

"The inception of banking in Persia on European lines took place in the year 1880, when a concession was granted to Baron Julius de Reuter by the Persian Government for a period of 60 years with the exclusive right of note issue. As a Minister of State recently expressed it, this was obtained from his country 'before it emerged from the jungle.' This concession served as the basis for the formation of the Imperial Bank of Persia."

Persia has apparently got back the concession for the note issue, and the notes of the Imperial Bank of Persia will be replaced by notes issued by the National, or State Bank. The Government intends to invest the necessary reserves against the notes in obligations of the leading Foreign Powers. This looks like a case of planting European Government paper on Persia and taking gold for it. Persia has a very "small external debt" and "no internal debt." Let us hope she remains in that happy condition.

The Brazilian Government is alleged to have invited Sir Otto Niemeyer to come and advise it about putting its finances in order. Anyhow, Sir Otto is going there to do it. The writer of *The Times* City Notes remarks that Brazil has been resorting to "unsound financial practices. The same writer recalls that Sir Otto was a member of the Financial Committee of the League of Nations which was "responsible for financial reconstruction in several European countries after the war." Austria was one of those countries; and it was there where the most promising step towards the Social Credit system was taken, namely, the Government's decision to underwrite disbursements allowed by bakers to their customers. So far as it was practised (for Sir Otto and his associates soon stopped this experiment) it involved nothing better than the subsidy principle, and would, in theory, have required higher general taxation to cover the cost. Nevertheless it was a general subsidy: it was not given to this or that particular producer or his employees at the expense of the whole community (as our own coal subsidy) but to every richer class had made any fuss about being taxed for the feeding of the poorer classes they could have been reminded that they were able to get a larger share of the subsidy themselves by *eating more bread*. We hear talk among politicians about the transferable vote, but here was a real ice-cutting proposition—the transferable loaf.

Current Political Economy.

Circumstances are possible in which a Government might want to communicate with its entire people more quickly than is attainable by newspaper; for example, in the event of war, or the sudden bursting of a spring of intelligence in Parliament. If the Government, for instance, wanted to try some new way of paying old debts, it would want to instruct the people at least a little as to how the new idea would work. Undoubtedly the semi-nationalised B.B.C. is the appropriate medium. The speaker by radio has the biggest audiences ever addressed by any publicist from Demosthenes or Cicero to Colonel Ingersoll. It is not a political meeting audience, either, out for an evening's free fun. It is very largely an audience of knowledge-thirsty, serious and ambitious young people, as is evident from the kind of advertisements inserted in, as well as the enormous circulation of, "The Listener," into which is lumped much of the most learned broadcast matter. The one awe-inspiring reason against the practicability of the Channel Tunnel used to be that the responsibility for destroying it, in certain contingencies, was too great for any man to carry. If the possibilities of the Radio had been foreseen, a somewhat similar reason would have prevented its being started. I have been astonished again and again at the number of people who have something to say important enough to justify amplification for millions of ears. The modesty of the B.B.C. on this matter is, of course, admirable. It fills in most of the time with stuff which is obviously an apology for the lack of worthwhile stuff. Sometimes, unfortunately, the apology is not obvious. One is left in doubt to which category the matter belongs.

For example, one would suppose that a symposium on unemployment starting at the beginning of the New Year, the first contribution occupying the top of the bill in "The Listener," was intended to be taken seriously. The contributor Professor Henry Clay, is introduced by the B.B.C. as "the author of one of our best books on Unemployment" (with a capital "U," just as written). But I suspected at first that Professor Clay was a subtle humorist of the Rabelaisian school.

"The first essential to any understanding of this urgent social problem is to realise that this one condition of unemployment may be brought about by many diverse causes."

How delicate of the professor not to italicise "urgent." He is no doubt satirising the young doctor who lectured the pneumonia patient on the eight hundred and forty ways of contracting pneumonia, and then forgot to make up the medicine. The very learned professor does not develop in detail the many thousands of causes of unemployment in his contribution to the symposium. Like Rabelais, he is content to offer samples when he illustrates. No doubt the other causes are to be found in his book, which I shall, therefore, make a special point of not reading.

The most insidious and ogre-like cause of Unemployment, according to the professor, is that

"the activity of industry as a whole seems to fluctuate." Or, as it might be phrased on another plane, the old woman was run over by the bus because the bus ran over the old woman; or the victim was poisoned by the arsenic because he took it. The science of economics is very helpful, and one sympathises strongly with those many professors of the subject who believe that the working-classes ought to be compulsorily instructed in it for Finance' sake. Things are certainly bad, so bad that somebody really ought, since there's nothing to be done about it, at least to study economics and learn why. How bad things

are can be seen from the fact that when the Professor obtained his statistics there were 2,300,000 Unemployed. By the time his figures were published they were obsolete; the unemployed had gone up to 2,600,000. By the time these are published they will also, no doubt, be obsolete. As the shepherd said, what is the use of counting them if the number is never the same. Still, let us not be disconsolate.

"It is the persistence rather than the severity that is novel."

After all, individuals have starved at all times, more or fewer. One individual cannot be more than one case of starvation. A million or so starving means no more for each one than when only ten thousand starved; a fact which enables the Professor to say a good word for the Victorians and Edwardians. In the light of this higher knowledge I hope never to hear our parents and grandparents spoken ill of again. Most readers will remember—the youth Movement being what it is—that, on the basis of a mere average of four per cent. of unemployed before the war, wicked agitators, communists and anarchists, used to say that Capitalism stood convicted of anti-social inefficiency. Even gentle Liberals used to view with alarm anything over four per cent. of unemployment, and wag their heads as to whether the structure of society could bear it. The Professor puts it at last into right perspective.

"Since 1920 we have been in a position to realise that the pre-war figures of unemployment were something of an achievement."

We shall doubtless learn how good is the evil of today when we see to-morrow's.

Things would have been worse than they are but for the fact that

"The suffering . . . has been largely prevented by the unemployment benefit";

from which it may be confidently deduced that the professor is not one of those much legislated for persons whose dole is about to expire. There would also, he says, have been vastly more bankruptcies if bankruptcies had not been

"in many cases deferred by the action of the banks in supporting for years firms that could not otherwise have met their liabilities,"

from which it may be equally confidently deduced that their liabilities were to produce not the goods for which their plant was suitable, but something for the production of which only banks are allowed to hold plant. However, the truth of the banks, arising case is evident in the poverty of the banks, arising from their self-sacrifice, and the fatness of the industries, arising from their parasitic preying on the banks. It is quite clear from the professor's first contribution to the broadcast symposium that we have not much control over our fate. We have to wait for something, just wait, meekly wait, and murmur not. The worst of it is that we are not to wait for somebody to do something, but for something to happen.

"When the world recovers. . ."

How human is that trait of scientists which persistently animises unco-ordinated things. The Greeks did it with trees and streams, which was quite picturesque. The chemists did it with atoms, which was quite useful if not so picturesque. The economists do it with the world, picturing it, perhaps, as an old woman on a sick bed waiting for recovery, and receiving advice from the economists as to what to do—afterwards. Granted that the old woman has a good constitution and recovers by the ordinary processes of nature, then we can look for some charring for her to do. The professor actually gives her (and us) alternatives, three of them, joined by either . . . or . . . or!

(1) Either we must find outlets for our economic activity

Drama.

Betrayal: Little.

The critics' reception of Andreyev's "Betrayal" appears in itself overwhelming evidence of the return of the English to their insularity, out of which the war pulled them at least part of the way. Andreyev, who died in 1919, was considered in his native Russia the greatest of realist dramatists next to Tchekhov. His comedy, "He Who Gets Slapped," has been seen in England both as a play and as a film. "The Seven Who Were Hanged" was produced by the Yiddish Players six years ago. So much said, most of it, indeed, announced on the programme, it follows that what is required from the critics is not a mere statement that they were harrowed, or that So-and-so gave a good performance. It is a critic's job to formulate why he has certain reactions, and to discover whether his failure to be dramatically absorbed is in the play or in himself. Such criticism is hard work; hence the English critics prefer the idle security of their insularity.

In view of theatre prices alone, it can be asserted that no play runs anywhere, in New York, Paris, Berlin, or Moscow, unless it has merit; and that is true from "Maria Marten," "Abie's Irish Rose," or "Marigold," to a Cochran Revue; and that every successful author, from Mr. Edgar Wallace to Mr. Arnold Bennett, has possessed undeniably qualities that accounted for his success. Not all first-class work is, however, commercially successful. The nearer to genius the fewer persons immediately understand it, whether it be the Christian gospel, the new economics, Nietzsche's psycho-philosophical intuitions, or Raynal's "The Unknown Warrior." The English critics' way with what they do not understand is to sit tight and wait for what the others say; and, at last, pooh-pooh in unison, thus expressing at least their indignation at being called upon to criticise anything they are not familiar with. Before very long book-reviewers such as Mr. J. C. Squire will tell their public that they have no interest in the contents of the books under review, but must mention them for their magnificent binding or the beautiful book-mark supplied by the publisher, or some other reason which can be apotheosised by being called "technique." Here is a play by a foreign dramatist whose genius is acknowledged in his own country produced in England for the first time; and I doubt whether any critic has devoted as much space to it as to the new musical comedies or "Twelfth Night," which all have reviewed a score of times before. English criticism is rapidly, unconsciously, sinking into the arm-chair of familiarity, to live senilely on reminiscence alone.

It was a pity that the programme note, in the interests of the play commercially, no doubt, announced "Betrayal" as "a thriller of the intellect." Not only has almost every critic seized the phrase, but its very use puts every member of the audience into the psychic state of receptivity for a thriller, whereas its true associations are with such plays as Pirandello's and Strindberg's. I did not read the programme note before seeing the play, and I was not thrilled in any sense conveyed by the word "thriller." Strindberg's "The Father" will be announced as a thriller next, in the hope of extracting the price of a stall from the man who enjoys Mr. Wallace's Chicago gangsters. I promise that the delinquency will not succeed. Only indecency attracts everybody. Thrillers are of more than one sort, from the kind given when the villain enters through a slot-panel to the awful pain of Othello's realisation that he has been duped.

"Betrayal" treats of a scientist who was obsessed by the power of thought. He had spent hours look-

(2) or content ourselves with lower remuneration

(3) or suffer unemployment. If the reader was rendered more cheerful by (1) he thought of something quite different from what the economic doctor was ordering.

The professor's learning, it should be acknowledged freely, is very great. It is evident in every line. While it would be presumptuous to offer to teach anything to anyone so learned, perhaps we may not be thought too forward if we make one or two little suggestions. For instance, it is quite clear that his definition of an industrial system would be as follows:—

the mechanism which has the duty in the name of humanity of absorbing all workers and thus giving them purchasing power; and which has also the duty, in the name of efficiency, of dispensing with all the workers and so reducing costs.

Now if a learned professor does not know what an industrial system is, and his special subject is economics, he is bound to make slight mistakes about other things. So let us suggest a re-definition of industrial system as

the mechanism to which should be delegated the function, in the name of the community, of producing all the goods required by all the individuals forming the community; and of doing so with the least possible waste of labour.

The distinction is doubtless too subtle for a professor. If he were very quick in the uptake he would say at once that no provision had been made for distributing purchasing-power. No. We should have to make additional arrangements. Indeed, as the industrial system is capable of doing the task assigned to it, the additional arrangements seem already behindhand.

The professor ought to give the revised definition consideration. It affects other definitions. For example, the professor would have to define worker as

one for whom in the name of humanity the industrial system has to provide work, and with whom, in the name of efficiency, it must dispense

It leaves the poor worker in a nasty dilemma. This dilemma could possibly be resolved by redefining worker as

one for whom, in the name of the community, the industrial system ought to provide goods, and also work if necessary.

But please do not ask a professor to perceive these subtleties. He would have to scrap all he knows and start work himself. It is too much to ask. One might as well ask a professor to perceive the scientific implications of the fact that any man can give orders, and obtain delivery, of more goods than he can pay for, to whatever class of society he belongs. Sir Thomas Lipton could have more yachts, and Mr. Churchill more hats. Mr. Drage—this advertisement is a free one—has just taken a bigger shop so as to supply Mr. and Mrs. Everyman with more tables, chairs, and collapsible bedsteads; just at the moment when the professors are broadcasting the good news that Mr. and Mrs. Everyman must have less purchasing-power. But let us give up the pursuit of these hair-splitting distinctions.

For the second time in one year *Punch* contains a humorous picture. The second, like the first, ought to have been the political cartoon. In reply to the announcement that So-and-so had received a knight-hood, comes the question, "How many coupons?" How the comic-artist and the editor of *Punch*, over a pint at "The Falstaff," Fleet Street, will chuckle when the public gets the wrong laugh by supposing that gift-coupons differ essentially from pound-notes.

BEN WILSON.

ing into the eyes of a tame ape, trying to read its history, and had woven a fantasy round its past, seeing in its expression transmigration from human, possibly regal, estate. At its death he decided to experiment with himself; he would convince everybody that he was insane, and finally have the laugh on doctors, scientists, police, everybody, by announcing the greatest hoax of all time. But his lunacy is not of the harmless variety. It concentrates on killing the husband, a successful novelist, of his one-time beloved. He does so by pretending to compose a novel, and pretending to be melancholically ignorant that he is acting what he creates. Before the murder his friends are shaking their heads and bewailing their helplessness. Afterwards he is treated as a dangerous lunatic. From the moment of the murder, however, he doubts his own sanity, doubts the power of his will to emerge again, and the fact that everybody treats him as a lunatic, and his protests against it as evidence for it, finally drives him unmistakably mad.

During the earlier scenes one wonders whether the adaptation of this part has been as well done as it ought to have been; one asks conscious, critical questions, such as, What purpose, scientific or personal, is the experiment to serve? Where is the necessity for it? Gradually, however, one is carried away by the exercise of one's mind on the problem as to whether the man is not really insane; while before the end one is convinced that he was insane from the beginning, and, nevertheless, not persuaded to adopt Mr. Orage's gradations of meaning, that he is anything but imprisoned outside of social human understanding by the very success of his trick. The theme of "Betrayal"—which is an excellent title in place of the original "The Thought"—is that of the fable of the boy who cried "Wolf." He also exercised the power of thought in a similar manner. I promise anyone who will take so much understanding into the theatre that he will be, not thrilled, but fascinated by the inevitability of the diagnosis of madness, whether the man was mad or not. Madness is not, one will perceive, losing one's reason. Madmen often seem to have excess of reason, as had Strindberg's Father. Lunacy, indeed, seems much more related to the loss of common-sense, which includes the intuitive perception of the point where reason must leave off. But, as Andreyev saw, that leads nowhere and everywhere. In the last interval I found myself wondering whether, for humanitarianism's sake, Andreyev would save his victim in the last act. I might have saved myself the trouble. The author never falters, once having been given his premises in the opening scene; and the last scenes leave one in that mid-air of doubt, characteristic of tragedy which so richly stimulates subsequent reflection. One psychological fact which comes out of Andreyev, for example, is the appalling consequences of the diagnosis that a person is living in a fictive world of his own; the doors of the collective human world are barred against him. He is less recognised as a person than is a criminal. He is treated as a bundle of dangerous explosive, as a thing, with no rights, responsibilities, understanding, or power to give or receive communication. Could the sanest mind withstand that? Compared with the formulation of that one psychological fact, everything that Pirandello has contributed to the dramatisation of insanity is mere idle, metaphysical speculation, with the one exception of the king who deliberately relapsed into insanity because he obtained more service in that state. That, however, is a commonplace of the clinic.

David Horne has been sufficiently praised for his performance as the lunatic. Although with so much to do himself, he ought not to have been allowed to do both production and settings as well, he deserves hearty congratulation for the settings, and

also for some features of the production. With the exception of one actress, who, appropriately, played a servant's part, Sasha, and who, inappropriately, has a Scottish name, the producer succeeded in almost entirely banishing both inaudibility and Kensington diphthongs and triphthongs from his stage. There was also some good acting besides that of the producer by Flora Robson, as the beloved; by Evan John in two parts; by Pascoe Thornton as the professor, and, perhaps the best performance in the play, by Margery Phipps-Walker, as a hospital nurse, the one surely sane person in the play, who had no thoughts, and who was content to soothe lunatics if she could have the relief of going to church just now and again. But I am confident that by not duplicating producer and "star," more meaning for the later scenes could have been conveyed in the earlier ones.

PAUL BANKS.

Music.

Severe indisposition, coinciding, as Macaulay would say, by an ingenious device with an utter lack of any musical event of the slightest interest or importance, must explain and apologise for my silence for so many weeks. It is painful that, on resuming my activities, I should have to start off with a sort of elegiac tribute to a great, an honoured and deeply admired friend, Philip Heseltine, or otherwise Peter Warlock, with whose loss through a wretched accident, for no sane person acquainted with all the facts, as distinct from journalistic inventions, can regard it otherwise, at an age in his early prime of life, is gone from us one of the finest musical minds of our time, a critic and writer further of unparalleled brilliance, insight, and subtlety. What I owe personally to his early encouragement, sympathy, and championship I can never adequately express, except to say that here and now is my bounden moral duty to express that obligation as best I can.

A song writer of exquisite delicacy, jewel-like craftsmanship, and flawless rightness of instinct, he has been equalled by few and surpassed by fewer, and those happy recipients of quaint post-cards inscribed in a freakish manner so typical of him in a microscopic, dainty, and delicate handwriting, typical of the perfect orderliness and complete lack of loose ends about any part of his personality, have a poignant reason for cherishing these memorials of him now.

It is unpleasant and incongruous to have to introduce a jarring note into this tribute, no matter that it be small and inadequate, by registering a most emphatic and indignant protest against the entirely gratuitous, offensive and grotesque remarks which a certain composer—a self-alleged "friend" of Philip Heseltine's—saw fit to make without ever being called upon to give evidence at the inquest. This gentleman, whose "friendship" with the late Mr. Heseltine, those who really knew and were intimate with the latter over a long period of years have the best of reasons for supposing little more than acquaintance, had the impertinent faculty to suggest that a man of Philip Heseltine's mental and moral calibre was depressed by lack of public recognition, a suggestion as fantastic as it was untrue. Philip Heseltine had, and knew he had, the recognition and appreciation of those only whose recognition and appreciation matter to an artist, while his name was a household word with a familiar public, a public, further, whose approval or the reverse it is a damnable insult and slander to his memory to imagine he would have ever condescended to give a moment's thought to. What service this gentleman imagined himself to be doing either to truth or to the artist's memory it is not

easy to see, for statements so fantastic and inapt could not give a moment's credence with those who, like myself, had known Mr. Heseltine for the best part of twenty years; but it is important for such pestilent nonsense to be contradicted lest Heseltine's memory is wronged by those who did not know him believing it.

KAIKHOSRU SORABJI.

Sweetness and Light.

The age that produced Izaak Walton's 'Lives' was peculiarly rich in great Churchmen. Richard Hooker, 'that learned and judicious divine,' and Jeremy Taylor, two of the greatest writers of English Prose, Donne, Lancelot Andrewes, Vaughan and Herbert, Nicholas Ferrar, the Quietist of Little Gidding whose name is familiar to readers of 'John Inglesant,' and Crashaw, who later went over to Rome, these are the names that come first to the mind; but besides these there is the little group well known as the Cambridge Platonists, who are not so particularly fashionable just now, the essential morbidity of his genius making a special appeal to our own generation; but the more characteristic temper of the period is the sweet reasonableness, the tolerance that comes not of weakness but of strength, that find in Hooker's great "Ecclesiastical Polity" and in Herbert's poems. And this "reason," not so much pure reason or rationalism as reasonableness or a kind of inspired common sense, was the rallying-cry of the Cambridge Platonists:—Whichcote, Cudworth, Wilkins, More, Worthington and John Smith.

The movement, according to Dean Inge, derives originally from the renaissance of Hellenic culture and directly from the attempted humanist reformation of Erasmus, Colet and More, which was crushed by the rude strength of the Lutheran protest. During the religious and political upheavals of the seventeenth century this little group, which centred on Emmanuel, Cambridge, stood for religious tolerance. "Men cannot differ by true Religion," said Dr. Whichcote, "because it is true Religion to agree."

Benjamin Whichcote, the author of these "Moral and Religious Aphorisms" (Elkin, Mathews and Marrot. Limited Edition. 7s. 6d.) was, according to Bishop Burnet, a man of rare temper, very mild and obliging. Tillotson says in his noble funeral sermon that he had the rare gift of an open mind which lasted to the end of his life. He was a man of shrewd sense: as elector to posts at the University he was exhorted to "have regard to the godly" because "They may deceive me in their godliness, they cannot in their scholarship." The Aphorisms, though among twelve hundred there must be some that are obvious and dull, contain a mine of wisdom. The book has been almost unobtainable for many years, and the publishers are to be congratulated on the production of a fine edition at a reasonable price. Our obligation to them would be doubled if they would publish John Smith's University sermons in a companion volume.

The keynote of Whichcote's teaching is this "reason."

If we consider, what is becoming reasonable nature; we shall have a Rule to guide us, as to Good and Evil.

Religion for some of his contemporaries was something arbitrarily imposed from without; for him it was a natural growth from within.

It is the work and business of Religion and of our Lives, to reconcile the Temper of our Spirits to the Rule of Righteousness; and to incorporate

the Principles of our Religion, into the Complexion of our Minds.

and again:

We must not take Religion upon us, as a Task; nor bear it, as a Burthen.

and this—has there ever been a more beautiful definition?—

Religion begins in Knowledge; Proceeds in Practice; and ends in Happiness.

and here in his conception of that difficult term, Communion:

In Spiritual Worship, there is Communion with God: for the Mind, when it understands, does, in a sense, become the thing that it doth understand: and in Worship, the mind receives the form of the Object it worshippeth.

Another of his pleas for reason is worth quoting if only for its style:

The Government of Man should be the Monarchy of Reason; it is too often a Democracy of Passions, or Anarchy of Humours.

and this:

The longest Sword, the strongest Lungs, the most Voices, are false measures of Truth.

This was of course topical in the age of Hudibras:

Nothing spoils human Nature more, than false Zeal. The Good nature of a Heathen is more God-like, than the furious Zeal of a Christian.

And here is the core of Major Douglas's philosophy:

Using and Enjoying is the true Having.

I am indebted for most of my facts to Dean Inge's preface. To those who harbour a natural grudge against the journalist-de-luxe of the *Evening Standard*, it may be said that Dean Inge the authority on Christian Platonism is quite another man. Anyone who has the least interest in the subject should read his "Platonic Tradition in English Religious Thought" (Longmans. 4s. 6d.), from which most of his preface is drawn, and which is a book not unworthy of his illustrious predecessors in the Deanery of St. Paul's.

MICHAEL JOYCE.

The Films.

Films of 1930—II.

With the exception of "Drifters," which showed that in John Grierson England has a director whose work should one day be comparable with that of the great Russians, the best native film of the year was "Two Worlds," which was directed by a German. From the standpoint of really first-class entertainment, Elstree's best was "The 'W' Plan," and honourable mention must be accorded to "Murder" and "Loose Ends," the latter not on its own merits, but on account of the admirable performance of Adrienne Allen, who stole the picture from Edna Best and Owen Nares, and made an immediate screen reputation.

There are several candidates for election as the worst English film of the year. "Red Pearls," "Infatuation," "Elstree Calling," "The Flying Scotsman," "Plunder," "The Flame of Love," "The Yellow Mask," and "Compromising Daphne," are all high up on the list, as are also, I believe, a number of others which I purposely refrain from seeing owing to the form of some of their stable companions. My considered verdict is that "Infatuation" holds the record for thoroughly bad acting, that "The Yellow Mask" was the most puerile and the worst directed, and that "Compromising Daphne" was the most stupid, the most promising Daphne "was the most stupid, the most irritating with its devastating attempts at humour, and, in general, the very worst. All are insults to an educated audience, and save for "The Flame of

Love," each was directed by someone who seems entirely incapable of grasping the elements of film technique.

Hollywood's worst failures include "Three Faces East"—the most preposterous picture which came from America during the year—"Men Without Women," "Tanned Legs," "So This is London," "Cheer Up and Smile," "The Silver Horde"—shown privately—"The Coconuts," "The Cat Creeps," "The Sky Hawk," "Just for a Song," and "Marianne." There has, indeed, been considerable discussion as to whether "Marianne" is not the worst film ever made; I was almost inclined to think so until I had seen "Compromising Daphne." If the English film is mercifully shorter, it is even more stupid, and if I were compelled to see one of them again, I should reluctantly decide to sit through "Marianne," which, in the person of Marion Davies, does at least contain one actress who can act.

Finally, the British public was allowed to see "The End of St. Petersburg" and "The Mother"—the latter in defiance of the Censorship—while Maurice Chevalier appeared on several of our stages, "in person," and complete with grin and straw hat.

Whoopie: Astoria.

I ought really to have included this excellent entertainment among the films which stood out very much above the average of 1930, but Eddie Cantor calls for more than passing mention. He is the only Jewish-American film comedian who does not make me want to walk out of the theatre; he is a charming and whimsical personality, and he is a real artist. His impersonation in "Whoopie" is an outstanding piece of virtuosity; good as is the show, it is largely carried by Mr. Cantor, who is on the screen most of the time. Really amusing dialogue, very pleasing music, a cinematic fluidity rare in this type of production, and perhaps the most remarkable bevy of feminine beauty ever seen in a single film (for which Florenz Ziegfeld is responsible as co-director) combine with Mr. Cantor in making me recommend this picture as a tonic.

One Heavenly Night: Tivoli.

This is a pretentious and mediocre production, characterised by many of the worst and most ridiculous conventions of grand opera. The picture is Evelyn Laye's first talkie, and her performance signally fails to justify the advance eulogies of Mr. Sam Goldwyn and his publicity department. I cannot remember having had the advantage of seeing Miss Laye on the stage, but on the screen she is completely lacking in spontaneity, although it may be that her director has drilled all the naturalness out of her. She is supported by John Boles, whose singing is always a pleasure to hear, but who must really get rid of his growing tendency to smirk. For the rest, "One Heavenly Night" has a Family Herald plot, despite its story being by "two famous American writers," and is not my idea of a particularly enjoyable evening.

The Mikado's Deprivation.

His London representative informs me that Douglas Fairbanks has denied "published reports that he would be the guest of the Emperor of Japan, the King of Siam and Indian potentates during his forthcoming tour of the Orient." Mr. Fairbanks, from Hollywood, said there never was any foundation for the rumours, and that he greatly regrets that any publications gave them sufficient credence to publish them. Nor will Mr. Fairbanks be a fellow-passenger of Dr. Albert Einstein, on the Belgenland, since the professor debarks at Los Angeles and remains in California for several months." I respectfully extend my sympathy to the distinguished personages who are to be denied the pleasure of meeting Mr. Fairbanks.

DAVID OCKHAM.

Current Philosophy.

A philosophic attempt to wed the subjective and objective worlds (or personal peculiarities and common sense) ought always to be welcome, for it too often happens that philosophy is a halfling, either pretending that it has found a materialistic explanation of thought or else content to live afar from reality in what Nietzsche would call the purely imagined world of number.

That Mr. Young* has seen very clearly, and it is to his credit that he has tried to overcome the difficulty. But I cannot feel kindly disposed towards his book. After a considerable amount of heavy reading I am very little further on with my philosophic difficulties.

I can readily agree with his thesis that grass appears green to us, because it really is so, that the vibrations of luminiferous ether coming from the grass are not "the cause of greenness," but "the vibrations of green," and that we receive the sensation of green because the grass itself gives out that sensation. And this idea only needs expansion to attain expression in this form: The Universe really is what we feel it to be, because it feels itself to be what it is.

Still, we seem to have gone a long way round to reach a very ordinary platitude, and I am as far as ever from knowing what "green" is. (Let me hasten to say, however, in case anyone wants to enlighten me, that I am quite content to take it for granted.)

But I had hoped that Mr. Young would give us a fresh and instructive discussion of the "unconscious," from his own angle, which seemed to me to provide an excellent point of survey. Guess my disappointment, then, when he roundly denied the existence of the "unconscious" and soundly rated its upholders. Memory, I learn, is a gramophone record, quite inactive unless played in the gramophone of consciousness, and dreams are merely the chaotic shuffling of post-Rolandic associations. But it is too late in the day to dispose so lightly of all that growing mass of truth and error which we call modern dream psychology.

One idea of Mr. Young's I am grateful for, since it gave me food for thought. He describes Space as the essence of objectivity, while Time is the essence of subjectivity. This seemed to me to throw a good deal of light on the workings of that most original intelligence, William Blake, when he maintained that Time and Space were but manifestations of Los and Enitharmon, Imagination and Pity.

N. M.

CURRENCY AND CREDIT.

Sir.—The interesting communication in a recent issue by Mr. Wm. C. Kennedy concerning currency and credit, and Major Douglas's credit proposals, should receive more than passing attention as an efficient remedy for the economic evils which are undoubtedly presaging the crash of civilisation at no distant period. Such bodies as the Catholic Social Guild would do well to investigate an scheme of Major Douglas; for I remember reading endorsement of the Social Credit theory by the Rev. Fr. Coffey, of Maynooth College, some years ago, in which he gave it as his opinion that the Social Credit theory contained no characteristics contrary to Catholic faith or principles. In addition it may be stated that the theory has, for the past ten years, confounded all its critics in the various political parties, and reduced to eloquent silence its only enemy; the credit monopoly.

WM. J. ROBINS.

King's Cross.
[Letter in *The Universe* of December 19.]

* "A Philosophy of Reality." By E. L. Young. (Manchester University Press. 8s. 6d.)

Reviews.

The Old Trade Unions. By William Kiddier. (Geo. Allen and Unwin. 7s. 6d.)

This is an interesting account compiled from unprinted records of the Brushmakers. It gives the actual records of the old Brushmakers' Clubhouses, and is full of the shrewd common sense of the workmen who kept them. In the Articles of the Society of Journeymen Brushmakers (1806) we read:—

"VI. That on every meeting night each member shall receive a pot ticket at eight o'clock, a pint at ten, and no more."

These "panhands" also knew how to put the stopper on those who loved to argue "about it and about":—

"XIX. That if any dispute shall arise on any matters not provided for by these articles, it shall be decided by the majority of members; and if any member, after a dispute thus decided, shall repeat the same with a view to creating fresh disputes, he shall pay a fine of £1 1s."

There is a great deal of interesting and useful information in this book, which throws many sidelights (and one or two spot-lights) upon the development of the financial control of the economic system, including the skilled craftsmen of the "pitchpan." The author writes from intimate first-hand knowledge: "Men with a trade in their fingers—the old Brushmakers. I knew them well. Their trade was my trade." Chapter X. tells how the Brushmakers, with £400 in hand, wanted a safe place for it. They took it to Whitbread's, the brewers, and found the brewery safer than the bank.

J.

War, Civilisation, and The Churches. By Chapman Cohen. (The Pioneer Press, 61, Farringdon Street, E.C.4. 2s.)

This, with the exception of the Introduction, is a reprint of articles which appeared in the *Freethinker* between 1914-1920. Mr. Cohen shows that the *Freethinker* attempted to do what the Churches should have done, which was to point out that truth, justice, and humanity were paramount even in the midst of national conflicts. The only Christian sect which did this were the Quakers; the rest merely fanned the flames of hatred. Mr. Cohen shows the utmost contempt for Christianity, for, in his opinion, it helped to prolong the war by exhibiting its savage ancestry. In commenting on The League of Nations, he says what we really require is a League of Peoples, and with this most of the readers of *THE NEW AGE* will agree. They may agree in the main with the statement that "it is not the intercession of prayers that the world requires; what it needs is the intercession of common sense." How common sense with regard to credit would change the face of the world to-day. Through all these articles there is sanity and sound judgment, and those who desire to learn the truth should not hesitate to avail themselves of the opportunity of reading them.

R. G.

A Heathen's Thoughts on Christianity. By E. Upsaka. (The Pioneer Press, 61, Farringdon Street, E.C.4. 1s.)

This little book, written by a Buddhist, endeavours to trace the history of Christianity and to show that it is founded on legend and myth. If the source of his information is correct he has certainly proved his case. The book is temperately written, and should be read by all Christians who value truth first even if the knowledge can humanity learn and progress.

R. G.

GAP BETWEEN PRODUCTION AND CONSUMPTION.

"In speaking on 'The Gap Between Production and Consumption' at a meeting held under the auspices of the Birmingham Industrial Alliance at the Chamber of Commerce, Birmingham, last night, Mr. James E. Tuke, London, gave consideration to the purpose of industry.

"They had, he said, defined money as the real objective of industry rather than the production of wealth. The question of Stock Exchange booms and slumps, or the Hatry case, had no real bearing upon the real wealth of the country. It was only a question of ups and downs of the monetary symbols. The Board of Trade stated that the amount of nominal money lost by the winding-up of companies amounted to something like £4,000,000,000 in fifty years, but, said the speaker, the real capital wealth of the country was always increasing, notwithstanding those monetary losses.

"The taking away of the King's prerogative two years ago, when his effigy was taken off the Treasury note, was typical of the centralisation of money power in the hands

of the banks, who, to-day, were the sole arbiters of national wealth. The introduction of the machine-age in the last fifty years and the centralisation of the control of money were two factors which had produced the gap between production and consumption. The remedy lay in the scientific application of a new price factor, in order to enable the national income to equate with the price value of the products on the market at any given period. Such a system would require no sacrifices, and would impose no spoliation upon any section of the community."—*Birmingham Daily Post*, December 10.

"CURATIVE" BANK SMASHES.

"More than 1,000 American banks, with deposits totaling £155,000,000, closed their doors during 1930. Although the 1930 list of failures includes that of the Bank of the United States, the biggest failure in American banking history, the majority of the suspended banks had a capital which did not exceed £5,000, and were situated in towns with less than 1,000 population. Deposits in the Bank of the United States totaled £40,400,000. This bank had a number of affiliated securities, Corporations, which were hard hit, and weakened the bank. Mr. R. C. Stevenson, president of the American Bankers' Association, holds that as a result of the 'curative elimination of weak institutions' banking in the United States now has the strongest position in its history."—*Evening Chronicle*, Newcastle-on-Tyne, January 3. (Our italics.)

THE CHURCHES AND THE UNEMPLOYED.

At the Primitive Methodist Church, High Street, Erdington, on Saturday afternoon, December 13, representatives from the ten Erdington Congregations met at 3 o'clock to consider what could be done for the Unemployed. At the end of a two hours' conference, it was decided to forward the following resolution, passed nem. con., to the Government and local authorities.

RESOLVES that:

Inasmuch as it is generally recognised that the present state of unemployment in Industry is accompanied by an excess of production over consumption, this meeting considers that it is the duty of those who control the economic policy of the country to make demand so effective as to eliminate want, and at the same time stimulate production still further.

Further, it was agreed to call a meeting of unemployed persons to ask what they required the congregations to do in the way of personal service, e.g., provision of rest rooms . . . rooms for lectures, etc., so that all unemployed should know that the members of churches were concerned about their position.

Lastly, to call a meeting of persons interested to hear a member of each political party to consider what steps could be effectively taken in the present emergency.

CHAIRMAN. Rev. C. B. CHUTE, M.A.
Vicar of All Saints.

SECRETARY. H. H. SHIRLEY.

ANSWERS TO CORRESPONDENTS.

A. W.—Your question is identical with that which we answered to you in our issue of October 2 last. Did you see the answer? If not please refer to it. You appear to be confusing the power of a bank as a member of a trust with the power of the trust itself. We presume you are familiar with the principle of business mergers and restricted output, where member-firms are allowed to sell agreed quotas, and are penalised when they exceed them. One may correctly speak of a limiting law governing the individual quota: but it is a law of the merger. And so with the banking merger. The merger can supply unlimited amounts of credit: but its constituent members have agreed to restrict supplies, and have devised a code of laws and penalties which keep them down to their respective prescribed quotas. We may to-day consider the Bank of International Settlements as representing the World Merger, whose international laws and penalties govern the national central banks. And each central bank represents a national banking merger whose laws and penalties govern the individual banks. When Mr. McKenna said that there was a limit to the amount of credit that a bank could create he did not mean a technical limit—he had already proved that there was no limit—but that there was a political limit. Every one of the checks on an individual bank's freedom to lend credit which you enumerate is a contrivance invented by bankers to work the credit system in the way they want to work it. It is no more a natural check than a Trade Union's standard rate of wages.

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The Social Credit Movement.

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

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

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