

# THE NEW AGE

INCORPORATING "CREDIT POWER."

A WEEKLY REVIEW OF POLITICS, LITERATURE AND ART

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## NOTES OF THE WEEK.

Mr. J. H. Thomas, Secretary for the Dominions, announced in the House on April 15 that the Government had offered to allow the Commonwealth Government of Australia to suspend repayments of principal for two years in respect of a loan contracted during the war amounting to £82,000,000. He read it from a long document, prepared by the Treasury, the text of which appears in full in *The Times* of April 16. That newspaper also publishes a report of the announcement on one of its centre pages and a leading article on it on the other. This twopenny-halfpenny concession to Australia is, of course, intended to be anti-Lang election propaganda. There are two points to notice about it (a) Mr. Scullin had asked for some concession along these lines when he attended the Imperial Conference last year; (b) it has taken the Treasury all this time since to decide what to do. We infer that the delay was due to the distaste which bankers feel to creating precedents of this sort, and that what has made them give way is the comparative success with which the so-called "repudiationist" and "inflationist" leaders in Australia are fighting and expounding their case in spite of the obloquy directed against them. The East Sydney by-election result on March 7, though claimed by the bankers' politicians as a moral victory, was nothing of the sort. It is true that the previous Labour majority of 13,000 odd was cut down to 3,000 odd, but the significant fact was that about 19,000 people voted for Mr. Lang's nominee, Alderman Ward, in a contest where the whole force of political vituperation that the combined opposition parties throughout all Australia could mobilise was concentrated against him in one constituency. Even the wireless was made the medium of an attack on him (by a Mr. W. A. Holman, K.C., speaking from 2BG station on February 23). Alderman Ward was further handicapped by the circumstance that there was a conflict between the N.S.W. and the Federal Labour policies, which put him in the peculiar position of asking for Labour votes to place him in the Federal Parliament where he would oppose the Federal Labour policy. This was fastened on by Mr. Holman, who called

him a "political Ishmael," and asked what was the use of returning a candidate who was not going to act either with the Government or with the Opposition, but was going to be an impotent little party all to himself. No doubt this argument had a substantial effect in reducing Alderman Ward's majority. If so it is clearly a mistake for anyone to infer that the size of the reduction is necessarily typical of what will happen at the next general election, for the issues on which it will be fought have not yet taken their final shape. It should also be remembered that all by-elections provide dissatisfied supporters of a Government with an opportunity to vote against it without running the risk of putting it out of office. In all these circumstances the East Sydney vote of 19,000 odd against 16,000 odd in favour of Lang, Ward, "wickedness" and "disaster" is a tough sort of hedgehog for the bankers' pups to tackle. The lesson for them, as Nurse Cavell might have said, is: "Bullying is not enough." Hence their present resort to bribery.

It is only a little bribe—a temporary remission of £1,600,000 per annum for two years—but, as *The Times* remarks, its value is in its moral effect. In other words, it is a piece of long-distance electioneering designed to consolidate Mr. Lyons's "All for Australia" movement. In a short time we shall see the concession interpreted by the pro-bankers' parties in Australia as a sign that Mr. Lyons's "courage and integrity" have already begun to revive the impaired confidence of the City of London; and the implicit suggestion will be: England will treat us rightly if we rally round Mr. Lyons and purge Australian politics of financial heresies. Such an interpretation is only half true. The other half of the truth is that Mr. Lang's activities have forced this concession out of the British Treasury. The Australian Government have got it for the precise reason that neither it nor the Opposition, nor both in alliance, have been able to intimidate Mr. Lang. If Mr. Lang had been beaten, or had shown any signs of discouragement, the "All for Australia" caucus of London bankers would have stuck to their contract-rights and have collected their debt instalments.

at the due dates. Mr. Lang is therefore perfectly entitled to say to the electors: Stick to me and we'll screw some more out of the bankers.

We recommend readers to consult the text of the document read by Mr. Thomas, and the speeches made in the House on it. (*Times*, April 16, p. 7.) They will see that Mr. Baldwin (for Conservatism) and Sir Donald Maclean (for Liberalism) immediately rose in turn to applaud the decision of the Labour Government. So there was an all-Party-all-for-Australia demonstration in the House of Commons, the smooth spontaneity of which did infinite credit to the stage-management. A further part in the production was allotted to a Mr. Bracken, who sits for North Paddington. This gentleman's lines took the form of a question to Mr. Thomas asking if, in agreeing to the concession, he had attached the condition that Australia should carry out the Niemeyer reforms. This was the cue for Mr. Thomas to declaim the following "rebuke" (as one newspaper described it) at the questioner: "It would be improper to make conditions to a self-governing Dominion." Ho! Ho! And so it would—to a self-governing Dominion. Here the curtain descended—and, as Churchmen will appreciate—at exactly the right moment—on the scene of Thomas in the act of rebuking a doubter! Why there are people who go round fussing about providing Britain with a National Theatre leaves us lost. We've got it.

According to a paragraph in the *Sydney Morning Herald* of February 24, Mr. J. S. Garden, in a speech to a congress of the Australian Trade Union confederation, made the statement that when a deputation had visited Canberra a short time previously, Mr. Brennan, the Federal Attorney-General, had told them that even if it was constitutionally in order to declare a state of national emergency, the Federal Ministry felt that it could not depend on the military. Mr. Garden's statement was submitted to Mr. Brennan for confirmation and, according to the published report referred to, he explained:

"It is true . . . that when a deputation waited upon Mr. Scullin I made some references to what is known as national emergency. I pointed out that such a proclamation would be a nullity, as it would not increase the Commonwealth's powers nor enable the Ministry to do anything it is not able to do without such a declaration; unless it was followed by action of a kind not sanctioned by law, and which might well be an incentive to lawlessness on the part of others. It was in this connection that I said that we would not order the military to take action which was not authorised by law, and that if we did give such an order, there was no reason to suppose that it would be carried into effect."

The power of Parliament—i.e. of any Political Administration, whether it represent a single party or a coalition of all parties—is subordinated to the power of what Mr. Hargrave called last week "Legal Officialdom backed by the Forces Law and Order." For Parliament to be able to employ those forces it would need, in the first place, to persuade the Officialdom (which has the legal power to issue orders to those forces) to take the required action; and in the second, to provide the necessary money. A majority vote—or even a unanimous vote—of either or both Houses does not effect the moral persuasion or the financial provision. Parliament can vote money which it holds, but not money which it has not yet got. In practice Parliament never has got any money; it is always in the position of having to anticipate its tax-revenue. That is to say, it has to borrow money. So even supposing it were able to convert the official heads of the army, navy and police forces to its own point of view, it would still be powerless to procure the action required unless it could also convert the money-monopoly. The monopoly of the power

to create and dispense credit is a monopoly, of the power of effective persuasion.

The suggestion of a self-governing Dominion acting "illegally" in respect of its internal policy will open up a fruitful line of investigation—one which will supplement and illuminate the present investigation of the position of the banks in the Constitution. It will be found, for one thing, that whereas Law conditions and limits action in the case of private individuals and business interests, the reverse process applies in the case of the banks: their action conditions and limits Law. Consequently any policy which threatens to deprive the bankers of any of their powers will, at some point or other in its development, be brought up against some legal prohibition. If the prohibition is not explicit in Statute law it is implicit in case law: that is to say, if by some oversight Parliament has neglected to protect the banker against a particular contingency, the Courts will repair the omission. The Judges are not corrupt: they honestly try issues on the merits of the particular case before them: but the difficulty is that the bankers have corrupted the merits. For it stands to reason that where you have a code of law which has the effect of exempting say 90 per cent. of the actions which bankers can take from control by the law, Judges are almost bound, in respect of the other 10 per cent., to exempt that also; because in the absence of explicit legislative direction on the point at issue, they have to take into consideration what is called the "spirit or intention" of Parliament in its general financial legislation, and to deduce, from what Parliament has decided in respect of foreseen contingencies affecting bankers' interests, what Parliament would have decided in respect of unforeseen contingency now brought before the Court. Judges are obliged to presume that Parliament intends the natural consequences of its legislation. The fact, as Lord Hewart has emphasised, that Parliament "absent-mindedly" passes Bills whose content and consequences are unknown to it, cannot, with propriety, be taken into the consideration of a Court. The Court must hold that the Legislature's errors and omissions are intentional; and so the rights of bankers, which are founded on those errors and omissions, have to be held legal. Those rights comprehensively may be formulated as one right—the right to be outside the law. Bankers' policies have themselves become a code of law; and therefore any anti-banker movement becomes illegal directly it passes from the phase of criticism to the phase of action. To-day all Parliaments are in the ridiculous situation partly suggested by the Commonwealth Attorney-General, that it is "illegal" for them to repair their past legislative errors. Older readers may recall our quoting some years ago a banking authority who went so far as to characterise mere criticism of bankers' policies as something bordering on "sedition"! There is, we hope, no member of any Legislature who would wittingly assent to the proposition that any private interest at all should be allowed to contract out of State control and be a law to itself. Yet one repeatedly sees world-famed financiers publicly laying down the doctrine that "financial policy shall be free from political interference," and world-famed statesmen publicly applauding the doctrine.

It is significant to contrast the hesitancy of the Australian Attorney-General about declaring an emergency and (presumably) legislating by proclamation, with the instant decision of the Western Australian Government to prohibit drilling by the unemployed. It is quite logical when once you grant the bankers their claim to be a law to themselves as to their policy; for in that case you are committed either to assist them to put down any opposi-

tion to their policy or else to stand aside while they do it themselves. There are three laws: Civil law; bankers' law; martial law. If civil law must not interfere with the bankers, neither must martial law—that is to say that the bankers must control military action. Further; since the bankers control money, and the politician and the soldier control none, there cannot be any military action unless they consent to it. Conversely there can and will be military action whenever they decide to invoke it, no matter what politicians, soldiers, and the rest of the population may think about it.

This aspect of policy came up in the New South Wales Legislative Assembly on February 19, when a Mr. Jarvie asked the Premier, Mr. Lang, if he had seen a newspaper article stating that if the Government "persisted in its policy of repudiation and suppression of speech, secession and civil war might result." Mr. Lang replied:

"I am aware of steps being taken by those opposed to Labour to resist by force. An ex-member of this House is one of the organisers, but it is not peculiar to New South Wales.

"I am informed that before the last elections they had in Victoria and South Australia already formed organisations such as they desire to form here, and they had armed certain people with firearms. If an attempt is made to do that here, this Government will not stand idly by but will deal with them."

We would like, by the way, to hear a bit more about the "suppression of speech." The idea of Mr. Lang's stopping the bankers' mouths sounds strange to us. We cannot discern any signs of it in the Australian anti-Government newspapers that have been reaching us recently—there are no noticeable checks in the flow of their eloquence. No doubt the bankers appreciate that more provocation than a repudiationist policy will be required to make a resort to armed resistance appear reasonable and natural. Suppression of speech would supply it if carried out by the N.S.W. Government against lawful expressions of opinion, but from our examination of the literature put out by both sides in the last Sydney election we are unable, for the life of us, to see why the Government should want to stop its opponents from speaking. Their whole case is composed of scaremongering prophecies seasoned with opprobrious epithets and thickened with ambiguous definitions. They argue, not for the sake of argument, but for the purpose of avoiding argument. They dare not do anything else when their case is such that, in Lord Hewart's phrase, "to be intelligible is to be found out."

A prominent Judge once remarked that when he had to form a judgment on a public issue about which he had little or no technical knowledge, he had recourse to collateral evidence—the demeanour and behaviour of the parties to the controversy. Now, the events in Australia are certain to convince everybody who matters of the necessity of forming a judgment on the Credit issue. It is equally certain that the vast majority will not be able to grasp the direct (technical) arguments involved. They will therefore depend, like the Judge did, on collateral evidence. So it would appear that the next task of our Australian friends is to prepare to meet the coming demand for such evidence. What is immediately wanted is a short history of how the bankers are conducting their campaign in Australia (a) educationally (lies) and (b) politically (intrigues and coercion). This book, or pamphlet, should be composed of material of the kind exhibited in our selection of last week—a good deal more of which has appeared in these columns since the start. The issue of the book should be timed for after the fate of

the credit reformers has been decided and the excitement has died down. It can thus be brought right up to date. It hardly matters which side comes out on top at this juncture: the book will come out topmost in either event. We, in England, who are far from the din and dust of the conflict, are perhaps better able to assess the *self-revelatory* character of the bankers' pretensions and activities than are our allies on active service. And we say that if a short record of them were made, and were presented to the Australian public on the morning after their night out, there would be a gratifying dividend on the effort. The mental condition of the people in the meantime is exactly like that of the man who was standing on the extreme fringe of an enormous cheering crowd, and who was himself cheering like mad. When accosted by a passer-by, and asked what was the occasion of the cheering, his reply was: "I don't know, old man; I've only just got here." Nine-tenths of the Australian public have only just got there: they cannot hear what it is they are acclaiming because of the noise of their acclamation; and when the hubbub is over they will want to know what they've voted for. And if the correct answer should be:—Mr. Lyons at the head of a national corner-house where you pay at the desk on entering and read the menu till you leave—why then, they are psychologically ripe to read the little book telling them how it all came about. For example, they may recall voting for something called "Confidence." "Very good," as Mr. Squeers might have said, "now you've voted for it go and practice it"—go in the shop, part up with your cash, stand the menu up, keep your eyes on your favourite item, get hold of your knife and fork, and go through the motions of feasting—keep on with the motions—motion is confidence—and through confidence comes prosperity.

The Commonwealth Government, who accepted the responsibility for the N.S.W. debt instalment which Mr. Lang refused to pay in London at the beginning of this month, have issued a writ to compel him to refund them the amount. The proper reply is to challenge them to prove that they have paid it. In this issue the Commonwealth Bank is virtually the Government. Now, when Mr. Lang announced his intention to withhold the instalment—a few days before it was due—the Bank privately sent him word that it would lend him the money to pay. Mr. Lang refused this offer. In a subsequent speech he rightly informed the public that it had been made, and explained that he refused it because, according to bankers' statements during the last year or so, their professed inability to lend to primary producers was due to the heavy loan-requirements of Governments. If then, he said, he had accepted this loan of £700,000, there would have been that much less available for lending to primary producers, who were in enough difficulty as it was without having this new restriction put upon them. No banker has yet come forward in Australia to give the right answer to this point—an answer which Mr. Lang was aware of, but which he knew that the bankers' would keep to themselves—namely, that loans do not come out of deposits, but create additional deposits, and that therefore a new loan to a Government need not necessarily come out of loan-funds for primary producers. By their silence they have allowed Mr. Lang to appear as having done a good turn to primary producers. Not only that, but the Commonwealth Bank will appear to have done the primary producers a bad turn by its act in paying the £700,000—if it paid this money.

But did it? Who is to know? All banks are in the international trust; and the heads of the three

banks concerned here—the Commonwealth Bank, the Bank of England, and the Westminster Bank—are in a position to tell any story they agree on without anybody being able to disprove it. In ordinary affairs of life when "A" claims from "B" money which he states he has paid to "C" on "B's" behalf, a Judge will take "C's" written receipt as proof that "A" paid the money. It would not occur to him—at least in a suit between straightforward parties—that anybody would hand over a receipt for a debt without getting the money. If he did, the inference would have to be that either he was "not all there" or too much there—that he was either a fool or else had some ulterior purpose in view. Now, in the case of banks the ulterior purpose dominates their policy. Every reader of this journal will see that in this present affair, the actual payment or non-payment of the £700,000 is a trivial consideration compared with the maintenance of the notion in the public mind that the banks cannot afford to lose it. So the statement that the money has been paid ought not to be taken, in any Australian Court, as evidence of payment without supporting proof. If we are asked where the proof is to come from and what its nature should be, we shall reply at once: We do not know. But our inability to answer on this practical plane is part of our case. There is no way of checking a banker's word in respect of inter-bank transactions. Remember the £20,000,000 of gold which the Bank of France professed to hold but which was in the vaults of the Bank of England. If such deception is possible in respect of a transfer of metal, how much more possible is it not in respect of adjustments of entries in ledgers?

But let us assume that the £700,000 has been well and truly paid, i.e., that claims on sterling to that amount have been irrevocably assigned and delivered to the two banks. What then? How does anybody know whether, at the instant of the transfer, the Bank of England did not extend a new loan to the Commonwealth of the same amount? If so, in one sense Australia could be said to have paid, and in another, not to have paid. This idea is quite feasible, because, as we have said, the essential requirement of central banks, in dealing with international debts, is not that the debtor nation shall pay, but that it shall publicly perform the gesture of paying. Mr. Lang would not do it; and he exposed the bankers who tried to get him to play this trick. This independence of action and openness of diplomacy make Mr. Lang the most dangerous statesman in the world to the bankers at the present time; and it is a reasonable hypothesis that they will use every kind of device to get him out of public life. Accordingly we hold it reasonable to suggest that the Commonwealth Bank or Government has been invited to make a gesture of paying in order to get a legal stranglehold on Mr. Lang. If it gets judgment it can put in a receiver to handle N.S.W. revenues.

Besides the two hypotheses noted, (a) that the Commonwealth did not pay, and (b) that it re-borrowed secretly what it paid publicly, there is one more, (c) that the concession announced by Mr. Thomas this week is part of a reciprocal deal, differing from "a" only in that the re-borrowing is public. Notice that the Commonwealth is being let off the next four half-yearly payments to England, each amounting to £800,000. So the Commonwealth, at the outset, is handed back £100,000 more than it is said to have paid on behalf of New South Wales. It is therefore under no practical necessity to recover any money from Mr. Lang, and since, as we hold, it is better off because of Mr. Lang, there is no visible reason why it should take the initiative in punishing him. But if the Commonwealth was offered this concession only on the condition that it

prosecuted him, that of course explains everything. Mr. Thomas says there were no conditions. Of course there were not—last week. They were all made clear when Niemeyer was in Australia. He was there for that purpose. He went to forestall or punish impending default; and by the time he left no doubt Mr. Gibson and the heads of the trading banks were fully posted up about what they were to make the Commonwealth Government do as and when the events that were being prepared took place. It is an easy game for credit monopolists. For money makes history.

## The Films.

### The Bat Whispers: Regal.

As entertainment, this picture leaves a great deal to be desired, but it is of interest as the first wide film to be shown outside the United States. The wide film is not to be confused with the wide screen, with which it is here used in combination; the film itself, both positive and negative, is nearly twice the usual width, thus giving clearer detail than is possible when a standard film is projected on to an enlarged screen.

The wide film has obvious possibilities in connection with great spectacular productions—it might, for instance, have been used to advantage in "King of Jazz," "The White Hell of Pitz Palu," or "All Quiet on the Western Front"—but the choice of "The Bat Whispers" as a vehicle for its introduction to this country is difficult to understand. This is a mystery play on stereotyped lines, an affair of cloaked men, trapdoors, secret rooms, sliding panels, and characters who behave in so extraordinary a fashion that the spectator is bewildered by their actions until the very end, and then he is not much the wiser. So far as I am concerned, these thrillers singularly fail to thrill, and I did not find "The Bat Whispers" interesting enough to sit through, so that I can easily obey the request of the management and not give the ending away.

Despite the fact that nothing in the production of this picture necessitates a wider film than usual, it demonstrates the possibilities of the new invention. It also demonstrates the perfecting of the "zoom" shot, in which the camera proceeds from a long distance view to a close-up in the shortest time. This is extraordinarily effective when used with restraint; in "The Bat Whispers" there was rather a tendency to play with the new toy for its own sake.

I should perhaps make it clear that in the wide film only the width and not the depth of the picture is larger than the standard size, with the result that unusually panoramic effects are possible. If the wide film comes into general use we shall have to accustom ourselves to this new convention, which struck me as a trifle disturbing on first acquaintance. But neither the wide film in general nor its panoramic effects can properly be judged until we are shown a picture that demands the use of a screen much larger than the standard size, in order that it be shown to the best advantage.

### "Unusual" Pictures for London.

It may or may not be owing to a reaction from the average run of English and American talkies that London promises to become a centre for the world's best films. Two other factors have helped to bring about this cosmopolitanism, the popularity of Russian films among the more discriminating sections of the public (whose existence the trade for the greater part refuses to recognise) and the great success of two very unusual pictures first shown in

England last year, "The White Hell of Pitz Palu" and "Sous les Toits de Paris."

The case of the French picture should make exhibitors think. It was presented at the end of last year at the Alhambra, and despite two characteristics that the average exhibitor would have regarded as handicaps, namely, a relatively small employment of dialogue, and the dialogue itself in a foreign language, it was a success from the box-office standpoint. From the Alhambra it went to the Regal, whence it proceeded to the Rialto. Here it has been an obstinate success; it started on its seventh week on Sunday and still appears to be emulating Johnnie Walker.

The success of this outstanding film has had an important sequel. It has convinced the Rialto management that the public demand for pictures of special interest or exceptional artistic merit is sufficiently great to make it commercially worth while to meet that demand, and the Rialto will definitely be conducted on these lines for the next few months, at the end of which the box-office figures will presumably show whether the experiment justifies continuance. The present view of the management is that it has proved that there is a "definite demand for unusual pictures," which is to be catered for so long as it lasts. It is now up to the filmgoer to do the rest.

The next programme at this theatre will be unique. Both "The Erl King" and "Song of the Alps" are to be shown, in a French, English and German version, each to be given daily. I believe I am right in saying that English filmgoers have never before had the opportunity of comparing three different versions of a talkie, and for that reason alone this experiment is of quite unusual interest.

The Rialto is not alone in showing "unusual" films. A somewhat similar policy, of which I have as yet received no details, is being launched by the Academy, while the Palladium, Stratford, which has already had the enterprise to present "Storm Over Asia," has just started an ambitious programme of Russian, French and German pictures. These include "Earth," "The Blue Express," and "The General Line," while I am glad to learn that "Storm Over Asia" is also to be revived. May I repeat my strong recommendation not to miss the opportunity of seeing this great film.

### Elstree Dislikes Actresses.

The larger the output of English films, and the more money they take at the box office, the more their quality deteriorates. Our studios have not a single really great picture to their credit since the coming of the talkies, a fact the more inexcusable since the use of dialogue has given the native product the greatest opportunity it has ever had, while during the past two years the quota requirements have automatically increased the demand for it. There is no one cause for the mediocrity and banality of the average English film, but a number—all curable. They include a complete absence of first-class directors, a financial policy that alternates between unjustifiable extravagance and even more unjustifiable parsimony, excessive concentration on the photo-play, failure to make use of the natural and architectural backgrounds in which these islands are so rich, and the choice of completely unsuitable themes, and incredibly bad casting. I do not say that the last is the worst defect, but it is in some respects the most characteristic.

The casting sins are both of omission and commission. Our studios love to employ "has been" stage players who will never learn film technique, to act for the screen, and simpering novices, suitable neither for the stage nor the screen, who are so boosted as stars that there is some excuse if they end by imagining they really can act. I name no

names, being somewhat uncertain of the scope of the law of libel, but every experienced filmgoer can think of enough actors and actresses, especially the latter, in these categories.

So much for the sins of commission. Those of omission are still worse. There is some excuse for a casting director who believes a stage star must be suited to the screen, or mistakes untried young women for players of talent. There is none for refusing to employ men and women who have already proved their screen fitness. I am not thinking of the Clive Brooks, the Dorothy Mackaills, the Ronald Colmans, who secured no recognition until they went to the United States, and who cannot now be induced to return to Elstree because our producers are either unable or unwilling to pay them on the Hollywood scale. What I have in mind is the extent to which players who have won a deserved reputation for their work in English films have either been forced to emigrate to California or faded out of films altogether, because our studios will not give them a job. I could mention a number who have lately gone to Hollywood; it is enough to cite Elissa Landi, who has played with distinction in English pictures. Miss Landi, an actress of unusual intelligence, recently went to Hollywood, where in a few weeks she was acclaimed as "the greatest talking picture find of the last five years," and is being spoken of as a successor to Greta Garbo. Some of this adulation is, no doubt, only publicity "dope," but the fact that five other American producing concerns have asked the Fox Film Company to lend them the services of its new star shows pretty plainly what Hollywood thinks of her. And whatever Hollywood's faults, it does always try to get hold of what it thinks to be the best, of which Elstree is by nature so suspicious as to reject it when it has the chance.

The characteristic case of Miss Landi—I want to emphasise the fact that it is characteristic—requires no comment. But it may be supplemented by the case of Dorothy Seacombe. I do not say that Miss Seacombe is a great actress, but she is an actress of unusual intelligence, and unites great charm with a determination to master her job. She has proved herself an acquisition to the British screen, provided she is given a suitable part and is adequately directed. And after singing her swan song in that atrociously bad film, "The Yellow Mask," she has disappeared from the screen—I hope only temporarily—because, so far as Elstree is concerned, she might be non-existent.

DAVID OCKHAM.

### THE N.B.A. ON SOCIAL CREDIT.

The National Bank of Australasia, on page 10 of this month's circular, condescends to mention "Social Credit" by name.

"The undeniable fact is that the various proposals [in Australia] advanced under titles such as 'The Release of Credits,' 'Credit Expansion,' 'Social Credit,' etc., are simply plans for currency inflation in one or other form. The expert committee's report has no place for such financial follies . . . it avoids the difficulties and dangers which attach to a process of balancing budgets by juggling with currency and credit."

We may retort that the bankers' juggling with currency and credit is the cause why budgets come unbalanced. As for Social Credit, it could, if necessary, work with a contracted currency and even with a contracted volume of credit. Let the Social Credit administrator be given a free hand to make price-agreements with manufacturers and traders, and he will quickly prove that he can economise in the use of credit. Since it is possible to provision the retail market at, say, twice the present rate by the use of, perhaps, ten per cent. more credit, then it is possible to quicken the proper vision to some extent without using more credit; and even should be imposed, but assuming that it had to be imposed this would not frustrate the Social Credit objective. What is vital is not the quantity of credit, but the control of it.

## Music.

In sheer desperation, utter starvation for the sound of music to which it is possible for an intelligent person to listen without feeling, if a musician, ashamed to be a musician, and, if also an intelligent person, ashamed to be a member of the human race, I went recently in Rome to a performance of *Der Rosenkavalier*, or, to give it its Italian alias, *Il Cavaliere della Rosa*, the only musical work of primary importance heard for weeks at a stretch, at the *Teatro Reale*. I endured the first act only. Apart from the fact that the performance was an almost unrecognisable travesty—without actually playing or singing wrong notes—it is almost unbelievable how far these Italian players, singers (rather less than more so!) and the conductor succeeded in utterly transmogrifying and denaturing the work, and even Mr. John Barbirolli indulging, in a recent number of the *Gramophone*, in the stock imbecilities of the "opera in the vernacular" sentimentalists, could hardly (if this be not paying him too great a compliment) have been deaf to the monstrous deformation of the vocal lines and colour-falsification involved in perverting voice parts written with exquisite and exact skill to fit the German language, and a very special variety of it at that—Viennese eighteenth century—to Italian! And as far as any approach to the feeling or spirit of the work was concerned, the performers were about as near to it as Mr. Noel Coward or Mr. Beverley Nichols to the *Summa Theologica* or the *Upanishads*.

And further hearings of Italian church music, singing, organ playing, convince me—and this on the strength of listening in the plate especially noted in Rome, and indeed all Italy, for the alleged excellence of its music, the Giulia Chapel in Saint Peter's—that the standard of church music in England and its performance begins where that of the Italians leaves off. And as before I was horrified by the incredible badness of the organ playing, the unbelievable trashiness and trumpery of the strains that are allowed to disgrace and desecrate the most sublime and solemn moment of the Ritual of the Mass, the Elevation of the Host, without anyone being apparently conscious of the hideous incongruity. It is impossible to imagine worse organ playing or worse instruments than those which are the rule in the greatest churches of Rome. This, in these splendid edifices, is another aspect of that utter tastelessness which will trick out walls of exquisite and priceless marbles or mosaics with tawdry and dirty old red rep and bunting on Feasts and other ceremonial occasions, and which allows every prospect of Rome from an eminence to be disfigured by the browbeating, blatant, dominant offensiveness of that apotheosis of the public lavatory, the Victor Emanuel monument.

Although the actual choir singing is not of the shameless incompetence of the organ playing, yet it is disfigured by an exaggeration, a vulgar theatricality and an emotional exhibitionism that recall *Guido Reni* at his worst (as, for instance, in that dreadful *Aurora* at the *Rospigliosi-Pallavicini* palace). The choirs are well drilled enough, but their methods partake rather of the trickery and "effects" of a body like the Don Cossacks than of the ascetic, severe, restrained and dignified style demanded in the performance of church music—the constant "swell organ pump-handling" effects of ceaseless and sudden *diminuendi* and *crescendi*, of retards and hastenings become most offensive, irritating and disgusting to ears accustomed to better things.

To pass from this to the choir-singing in the *Madeleine* in Paris at Easter was like entering another world. Here, indeed, was not only admirable

choir singing judged on merely technical points, but a thorough feeling for, and sense of, the demands of what for want of better words one may perhaps call the church style—the whole informed by a dignity, serenity and restraint that is outside the conception of the Italian choirs. But once again we were let down (though not down the bottomless pit as in Rome!) a very long way by the organ playing. Now the *Madeleine* is one of the churches of Paris for music, and is a fashionable one into the bargain, yet its musical authorities had not, it seemed, taken the trouble to see that the small accompanying organ in the choir was in tune either with the orchestra or with the large organ at the end of the church, or the latter in tune even with itself, let alone anyone else!

The High Mass was followed by an organ recital strangely sandwiched together with Low Mass, and here again the choice of music was lamentable and the playing not much better. After all, France has a tradition of fine organ playing (unlike Italy, which has none at all), and names like Guilmant, Widor and Saint Saëns are household words among organists, the latter being himself once organist of a the *Madeleine*, which makes performances of a *Couperin clavecin* piece, a grotesque elongation of a Chopin prelude (No. 24) one particularly conceivable in any other medium than that for which it was written, consisting of a long, meandering series of meaningless modulations and transpositions utterly inexcusable. Not one real piece of organ music was played during the whole recital—not even of the *Scotson Clark* or *Lefebure-Wélig* genre! I do not propose at this time of day, nor my time of life, to set up as a propagandist of musical England, but having a strange and, I admit, misguided enthusiasm for the truth (even as I see it through the possibly distorting mirror of my own mind), and violently resenting malignant nonsense, I could wish that those people on the Continent of Europe who are wont to utter such pestilent drivel about music in England could hear the music at the Temple Church for instance.

KAIKHOSRU SORABJI.

## Drama.

### The New Gossoon: Apollo.

It is reported that Mr. James B. Fagan is trying to open an Irish theatre in London. Good luck to him; for it is almost the same thing as trying to open a theatre in London. If Mr. George Shiels' comedy, "The New Gossoon," had been produced and acted by an English company instead of by Mr. Fagan and the Irish Players it would have seemed overloaded with minor parts. Most of the company would have been instructed not to sing at all on the high note, and the result would have been a deserved failure. As it is, every actor squeezes a cupful of juice out of every phrase, and in spite of the creator equality and fraternity of men and women are upheld. Enthusiasm for team-acting fills every figure, from servant girl to mistress, vigorous life for as long as the play lasts.

The new gossoon is the modern prodigal son, who wastes his widowed mother's substance on greyhound-racing and riotous living in the dance-halls of the nearest town. He arrives home at three in the morning after going Heaven will mercifully not enquire where, though all the neighbours do, but his pillion-seated motor-bike; which he had obtained by selling his mother's sheep and reporting them stolen. He brews trouble all round him, indeed, their revolt, much more than his folly, makes the play. He is the spot of arsenic that puts the froth on the yeast. In the end, of course, all the bother comes home to its maker, who sees the foolishness of his ways, puts himself into the practical

hands of a young feminine neighbour, and receives, in lieu of the fatted calf and the best robe, a present of a farm of his own.

It is a feature of Irish plays that the audience is so little provoked to care what happens to the characters. In the best work, such as O'Casey's, what happens on the stage is what one imagines as happening before and after, eternally, and the result is acute tragedy. The drama completely transcends theatre, and fills the universe unto the last awful Judgment. In most of the Irish plays, however, this loss of care as to what becomes of the characters probably arises from the fact that they are only theatre, and need produce neither joy nor heartache outside. They are art for show's sake, and nothing more. That Luke Cary and Sally Hamil will ruin the farm given them by his mother is a certainty; but who thinks about it or who cares? Thus the great fault of "The New Gossoon" is its almost total lack of dramatic suspense, either comic or tragic. Although every character has individual wit and contributes individually to the fun, each seems to share with the gossoon himself the disability of being, instead of a person, a foil for enabling the others to deliver themselves of their clever lines. Something far more serious, and not less comic, could have come from the author who had once consciously observed the young colleens speaking to their parents and uncles in the Irish of Syngé, and to one another in the talkie American of Hollywood.

The show is well worth seeing. For the public to observe critically what these actors do with their material would be an assurance of the development of theatrical taste. Barry Fitzgerald, all smiles and compliments, living by his poacher's and rogue's wits, is directed on and off the stage over and again with the lamest excuses. It is the actor who renders the comings and goings natural. Sydney Morgan's faithful farm-manager is a triumph of sincere study, the work of an actor who puts heart and soul into every part, big or little, and makes it big without in the least disturbing the focus or perspective, of the whole. Morgan would distinguish the characters of any two smokers in the world by the different gestures with which they lighted their pipes. He is as free from actor's academy tricks as anyone on the stage, and yet not a cell of him ever seems unemployed. When his body is at rest, as it often, perhaps mostly, is it has taken just the posture required. One would like to write at length of others, of Sara Allgood, O'Rourke, and Hutchinson, as well as of some of the developing youngsters. These people can act because they study their lines and speak them to convey all their meanings, undertones and overtones; and command the craft of acting to serve their meaning. There is no wagging of the forefinger until one hopes never to see a forefinger wagged in or out of a theatre again. The latest newcomer, Wolfe Curran, who played the gossoon, spoke his lines well. He was not as sure with his body, so he had the sense to keep it still when there was no definite work for it.

### Saint Joan: Haymarket.

This revival of "Saint Joan" should attract that large number of people who assert that it is one of the greatest English plays, and who classify it separately from the rest of Shaw. There was a joke when "Saint Joan" was published that Shaw had written it to forestall Drinkwater. Actually Shaw has not forestalled anybody. The drama of Joan of Arc still awaits its dramatist. In Shaw's "Saint Joan" he has presented almost everything except Joan of Arc. He has rendered a Shavian interpretation of history—nationalism, individualism, and protestantism, versus the world-community of the Paternal Church; which was not new, but which he clarified through the Shavian vernacular. He has

written one of the finest priestly orations, the inquisitor's speech, in all literature. He has worked in all the jokes, which his own repetition has turned into clichés, about Englishmen and gentlemen (why will the man not learn to cut?). Finally, in place of a Joan of Arc, he has created what everybody, it is said, may be excused for doing once in a life-time. He has perpetrated a Christ fantasy complete with resurrection. What the "Third Floor Back" was to Jerome, "Saint Joan" is to Shaw. It is the preface to the "Intelligent Woman's Guide to Shavianism." It is Shaw at last, though unconsciously casting off the anti-Romantic pose, and crucifying the feminine romantic which, as I have demonstrated, is the essential *anima* of Shaw, beyond and below the rationalist logician whose pose of hatred for romanticism has never been anything other than the fear of his own weakness for it. Hence the modern German Youth Movement, for example, took "Saint Joan," not as an historical figure, but as the patron of modern feminism, which is precisely Shaw himself; and "Saint Joan," far from belonging to a class of its own, is more essentially Shaw than anything he has done before. The historical Joan of Arc was merely a faded picture over which Shaw boldly painted Saint Georgina.

The Pitoëffs' production of "Saint Joan" was better than the English. It was more a conception of Joan of Arc and less of Shaw. Many of the English players are the same as before. Sybil Thorn-dike again takes Saint Joan, and Lewis Casson the English Chaplain Stogumber, which he gaily Shavianises to the full. George Curzon's Earl of Warwick and Robert Cunningham's Archbishop of Rheims are well played. George Merritt's Robert de Baudricourt is a great improvement on the original one, which was almost inaudible, but Merritt goes almost to the other extreme. He can afford, with his excellent articulation, to tone it down a little. Lawrence Anderson's Brother Martin is beautiful. What I looked forward to most was O. B. Clarence's rendering of the Inquisitor's speech. It was a great disappointment, therefore, that his chair was so placed that his face was invisible to a third of the auditorium except when he turned round. It is the classic thing in Shaw's "Saint Joan," and should be better exploited.

### Five Farthings: Haymarket.

Be it ever so humble, there's no place like a hotel, even a private hotel, for bringing people together in dramatic situations; at any rate, not if it be an hotel on the Italian Riviera, where broker's men sing grand opera while ticketing the chairs. Do advertisements for furniture-removers and such in Mussolini's newspapers state whether the vacancy is for a bass or a tenor? Perhaps this is brought out at the interview which no doubt includes an audition. Mrs. Wickham, the proprietress of the hotel, enjoyed being up to the neck in life, which has come to mean generally, and in G. B. Stern's work in particular, being up to the neck in debt. Always, however, Mrs. Wickham's personality, presence, presence-of-mind, wit, charm, readiness, etc., saves the day for at least another day. When Mrs. Wickham's son, whom she had not seen for fourteen years, comes home from Africa expecting a "Mumsie, darling," it goes against Mrs. Wickham's grain to give him what he has wanted, and, of course, she very soon breaks down, or, rather, breaks out, with immediate, though not ultimate, disastrous filial and social consequences.

The short-story from which the play was made would have made a good one-act piece; it has stood the process of wire-drawing into three acts badly. It is very thin at both ends. Marie Tempest is there, however, as Mrs. Wickham, for all pupils of the theatre to see how everything is done. Her reading of a short letter is a show in itself. There was no

need for the producer to tone so many of the other actors, including himself, down to *pianissimo* for her sake. She would still be the star that outshone the others in glory if the others were undimmed. Perhaps Mr. W. Graham Browne was trying to follow the author who, it has to be admitted, had not put a single personality into the play except Mrs. Wickham. The rest are dummies. Nevertheless, some of the minor parts were well done, particularly the Scot and the American doubled by Gilbert Davis and the Italian servant by Stella Rho. Adrienne Allen's performance as Audrey Carlile, who married the son and capitalised the mother for a fresh start, was so metallic that the sentiment asked from her by the producer was incongruous.

PAUL BANKS.

## A Local Currency Experiment.

The following is extracted from an article contributed to the "Suddutsche Zonntagspost" of March 15, by its Correspondent, Werner Friedmann. The translation—a free one—has been carried out by W. E. Fish. The title of the article was "The Waera-Island in the Bavarian Forest."

Where else so likely as in the Bavarian Forest could such strange events take place.

There, where the railways with their trains of shabby carriages yield but a meagre wage, where the villagers subsist on the coarsest sausage because nothing better can be afforded, where in a hundred places there is neither electric light nor water-pipes, where the little children run daily for hours in their wooden shoes to reach the poor school, which has only one schoolmaster for seven classes and a hundred pupils. It is this Bavarian Forest, this German Siberia, which has made the experiment we are writing about to-day. The coal mines were still, the quarries empty, workmen making a forced holiday and the peasants perishing. Shopkeepers waited in vain for customers, and cattle-drivers dragged their cattle for miles through the snow, goading the animals with incredible difficulty to markets from which they returned unsold to their farms. What a land! What terrible conditions!

The coal mine in Schwanenkirchen produced brown coal of not very good quality, but sufficiently serviceable as long as coal was short in Germany. The town of Degendorf worked it, and it enabled the miners of Schwanenkirchen, Hengersberg and Schoellnach to live, and with them the trades-people, hand-workers, and landlords. Later the mine was taken over by a company with its directors and a complication of organising machinery. It could not keep going for long. In 1927 it was closed down, bankrupt.

Then a mining engineer, Herr Hebecker, won it in the ensuing auction. He hoped to set it going again on a small scale, but he could not find anyone to supply him with money who cared to invest capital in this god-forsaken neighbourhood!

For years no man was seen in the mine, water stood 50 yards high in the shaft, the lifts were still, the miners marched along the stony path to the charity institute, and Herr Hebecker lived in isolation near his flooded mine. One might catch flies on the walls of the two inns in Schwanenkirchen, and even sausages were no longer in request.

That was in the autumn of 1930! But now! A miracle must have happened! At the moment when the great financial crisis fell on the world, the mine began to work once more. Pumps sucked up the water. Men in work boots entered the shaft, the front tower, which had been burnt, was rebuilt, and the full trucks ran merrily to the station. The Charity Institute got rid of sixty hopeless daily guests at one blow. Visitors filled the inns again, the butchers of Hengersberg sold their 100 lbs. of meat every Saturday, and the cigarette shopkeepers listened joyfully to the tinkling bells of their shop doors. The ironmongers got suddenly an unheard of turnover, and even clothes and shoes

were sold. The whole countryside had an entirely new aspect, a hopeful, living aspect!

What has brought about this miracle in Schwanenkirchen? Is it a millionaire? An American philanthropist? Has a magician caused the rusty wheels of the industry to turn again. What has happened? I must tell you about this magic, because I believe such an unheard of experiment can not be ignored, and even if the theory on which it rests is not clear, it is not our business to quarrel about a theory. Let the economists do that. We have got into a piece of Bavaria in which a fantastic theory has been realised, and because many hopeless people have found work and wages through it, it is our duty to write about it.

The mining engineer, Hebecker, who could get no money to set his coal mine going, called up the miners who had formerly worked there and said to them, "To-morrow we will begin again." But, he added, "I have not any money, so we must do without." The conjuring trick began. Whilst the Chancellor in Berlin in the midst of the financial crisis was talking about cutting prices, saving more, and unemployment, the people of Schwanenkirchen had become independent of money shortage. It sounds like a fairy tale, an absurd make-believe, since how in all the world can one do without money, which is the preliminary necessity for every breath we draw.

But the conjuror, Hebecker, made it possible. The people of Schwanenkirchen are living without money. They live well; have meat, bread, cigarettes, beer, ties, suits, sugar, shoes, soap, without paying money for them. The clear, in the mining industry of Schwanenkirchen one lives without the State mark, and you may believe me that the trick was not so very difficult. In this poverty-stricken area there are in any case but a small number of marks. But the riddle of the matter is answered by employment. A mine can work again, unemployed have employment, shopkeepers turnover, landlords guests. Schwanenkirchen and its neighbourhood has suddenly become immune to the crisis. A phenomenon! We shake our heads and are sceptical, but it is undeniable.

Herr Hebecker has quietly taken leave of the Chancellor. He has become independent, his own chancellors. He presses yellow tickets into the hands of his workers instead of money. And the workers go with their tickets to the butcher, to the landlord, to the baker—and get their purchases in exchange. The inn-keeper buys his meat, and shop, and buys cigarettes; the butcher back to Herr Hebecker the peasant takes the yellow tickets back to Herr Hebecker and gets coals for them. It is incredible! These yellow tickets circulate continually with terrific speed. Everybody gets into the same cash boxes which once held the State bank-notes. Simple yellow bits of paper! Everybody is delighted to have them, but gets rid of them as soon as possible. They must circulate quickly otherwise they lose in value. In Hengersberg and all neighbouring districts a mark is no longer necessary to buy a shirt collar—because there is a yellow ticket instead on which is printed "1 WAERA."

We must now ask the question as to how a private individual has distributed his own money, money which bears no relation to the State currency. It is quite impossible to allow a private entrepreneur to print money! But "Waera," this peculiar yellow ticket, undersigned by a Mr. Timm and three other unknown persons, is in truth not money at all. If it were, the action of Herr Hebecker would be illegal. Waera is merely a means of exchange. It is not possible for it to be money, since it does not fulfil the two chief conditions of money. It is not "covered" and it is not legal tender. It is a means of exchange printed and issued by the Waera Exchange Trading Company, resident in Berlin.

We cannot avoid making some comments upon the theory, on which this completely new type of economic procedure rests. We emphasise expressly, that we are in no way identifying ourselves with it; we even consider it to be dangerous and doubtful. We are merely giving an account of it, so that the method by which poor Schwanenkirchen has suddenly improved its circumstances should be understood. We cannot predict its further consequences.

The scheme originated in the ideas of Silvio Gesell, who died last year. He was an economist who aroused much discussion by his book, "The National Economic Order," in which the basis of the movement themselves into a new "Free Economists" have formed themselves into a fighting group, with the intention of introducing a money-system. The movement has an even bigger following in Switzerland, and there are many supporters in England and France. The more active of the two groups, the "Physiocratic Group," has founded the Exchange Society. Waera. Waera is an exchange medium of the nominal

value of one Mark (one shilling). It is subject to a constant devaluation, that is, a loss every four weeks of 1 per cent., should this loss not be made good by sticking on a stamp of one pfennig. This precaution is to insure that the Waera should not be withdrawn from circulation, except at a loss to the holder. The money circulates continually, since no one wants to suffer a loss. A constant business cycle is thus maintained. The prices are stable, and it is asserted that unemployment cannot return. This is the theory.

Herr Hebecker, who has belonged to the movement for years, has now, in his need for money, put it into practice for the first time. The Waera Society has financed the re-opening of the coal mine, and it is a fact that with the help of this exchange medium a coal-mine which appeared irredeemably lost, has opened up again, re-employing sixty miners who were dependent on charity for their existence. In this district all trade depends on the working or not working of a coal mine. Waera lifted the whole neighbourhood on to its feet, although what this implies for the future is still a question.

"The circumstances were very favourable for the enterprise," remarked Herr Hebecker, a quiet little man, who makes little of the admiration which he gets from the whole neighbourhood.

"The neighbouring Sirius Works in Degendorf have grown very much, they need now 75 tons of coal a day. If they take coals from us they save 300 Marks a day in transport. On this basis we were able to begin, and at the end of this year we are planning the addition of a brick-factory, which when it is ready, will enable us to get 300 tons of coal a day and employ 150 workers. People throng to obtain work for Waera. Ninety per cent. of the total wages are paid in Waera, the rest in Marks, so that the workpeople have sufficient for railway fares, post, and so on.

"In the beginning the tradespeople naturally did not want to take Waera. I started a large Canteen in which I stocked everything people needed, from bread to collars and material for clothes. I obtained the goods from firms in Central Germany, which have taken Waera as payment for years. This went on until the shop-people saw they were losing a big trade; so they agreed to accept Waera, and I closed the canteen. Now Waera is almost the only method of payment with us. All business people accept it. They can also buy coals from me again, and get 5 per cent. reduction if they pay in Waera instead of Marks. One banking branch protested, but it could do nothing since Waera is not money, only a means of exchange. The only backing is the Goods, which are given in exchange, and the confidence in a means of payment, which can always be passed on."

On pay-day in the coal mine of Schwanenkirchen the men with their blackened faces stand in a long row to receive their yellow tickets, which they pocket with satisfaction. "What do you do with those papers?" I asked a miner. "They don't remain long idle," he said, "I must not pay with a depreciated note. It goes quickly enough, first to the butcher, then to the grocer, and tobaccoist. I have to buy myself a suit, too, that costs 50 Waera; to-day I pay the first half. I wish I had lots of Waera; if it weren't for them we should have no work now." "Have you any difficulties in getting the money taken?" "No, no longer at all, it is a matter of course with us now."

I questioned the butcher, who said: "Yesterday I sold goods for 75 Waera; we never had such sales in the old time and the depreciation of the Waera is not injurious. Goods lose their value, too, if they lie about long, which is much more harmful. What do I do with the money? I hand it on to the ironmonger if I want anything, or the baker or someone or other. One can always buy things." The owner of the ironmongery shop says: "Since Waera was introduced I have had already a turnover of 3,000 Marks, i.e., in Waera. The business has not had such a boom for years. I am ready to take as many Waera as possible." All the shopkeepers spoke in the same way. Without doubt in this small area Waera has worked wonders, anyhow for the time.

A strange experiment this Waera Island in the Bavarian forest, which has demonstrated within a limited area a fantastic theory. How will it develop? We must watch it carefully. Will the Chancellor of the Exchequer interfere? Will the State bank intervene? At present apparently nothing happens, and the people, who were so poverty-stricken, cling with complete trust to this straw, Waera, and are happy that they are able to live. Will they never again experience a crisis? We must wait and see in what way the Minister of Finance, Herr Hebecker, develops his enterprise.

## The Hon. Sir Charles A. Parsons.

By James Golder.

### VI.—THE SCIENTIST.

Science may be defined as honest research in every direction. It is essentially a *method*, not a *policy*.

If the scientist can be said to have anything to do with policy at all the one word *efficiency* describes it, whilst the other word *ratio* explains it. *Efficiency-ratio*, therefore, represents the permanent scientific ideal for any form of human activity. Parsons' life and work as scientist illustrated this probably more than anything else. Though he left Cambridge with Senior Wrangler honours, he never used mathematics to confuse either his own mind or that of others. To him it was an ordinary tool of the intelligence. He used it as he used his hammer, chisel, file, his two-foot rule, or any other gauge, for one purpose, and for one purpose alone, *to get things done!* His work was almost entirely experimental. He was well grounded in the principles of thermo-dynamics, but there were no precedents for what he had in mind to do.

Though he looked like a dreamy philosopher, his feet were firmly planted on the earth. Though a thoroughly sound and practical engineer, he never belittled nor despised "theory." Indeed, one of his strongest claims to attention lies in his annihilation of that wearisome controversy, which shallow minds will ever resuscitate, between theory and practice, faith and works. To him theory was never "mere." It was something which possessed qualitative value. In any case it served its purpose, leading him to the establishment of the fact which gave birth to the next theory.

It may sound paradoxical to the lay reader, nevertheless it must be stated, and an endeavour should be made to grasp its significance, that theoretical considerations were the driving force of Parsons' progressive development from what he would call "the little fellow" at Guinness's Brewery in Dublin to the Gargantuan plant at Chicago, U.S.A.

Theories are always the cutting edge of vision, without which, it is written, whole peoples perish. To Parsons they were the plans upon which he built his hopes, the very evidence of the things he expected to see. "What the mind can adequately conceive, the will can positively achieve." He considered all. He tested each. He hung on to that which was best. He dealt with theories as with razor blades, scrapping those that would not cut.

What then was the big idea upon which his mind was set? To make money? To become powerful, die rich, and have a big funeral? It has been made abundantly clear, if nothing else has, in these cameo sketches that Parsons cared for none of these things. What was it then? It can be stated in a sentence. He wanted to create for steam a path which illustrated Boyle's law of expansion.

Readers will recollect the terrific difference in velocities of water and of steam hitherto described. What has not yet been alluded to is another remarkable and important difference. When the molecule of water starts upon its high-speed journey over the falls of Niagara it occupies no more space at the end of its journey than it did at the beginning. That fact makes the water turbine a simple job. With the molecule of steam it is vastly different. He may start off with a volume equal to one, and at the end of his journey require a space *five hundred times larger!* That was the message of the Hon. Sir Robert Boyle, who, like Sir Charles himself, was the worthy son of an Irish Earl. Surely this curious law of nature, discovered by his fellow countryman, would deter the most intrepid adventurer. To Parsons it was only another Spithead. He went for it, and got through it, though it was a longer and much more arduous adventure.

Boyle's natural law of steam expansion follows very closely a curve known to mathematicians as hyper-bolic. As the pressure decreases the volume increases, and the relative values at any given condition can be expressed by the curve.

There is no story that I have heard of about Boyle or Parsons as boys watching the steam expanding into vapourous clouds from the spout of the domestic kettle, like Watt is said to have watched the lid jumping up and down, but most readers will be familiar now with both sights.

What few readers will be familiar with, and what to many will seem utterly incredible, is the fact that it is to-day quite a common thing to see steam turbines generating thousands of horse-power from steam at no higher pressure or temperature than of that issuing from the spout of the kettle. More wonderful still is the clever device used on the Chicago turbine for utilising the last ounce of energy available in the steam before it collapses as liquid water in the condenser. Here, a separate turbine developing 6,000 units is arranged at the exhaust end of the main turbine developing 50,000

units, and the pressure of the entering steam is some twelve pounds per square inch below that of the atmosphere!

Readers who prefer to think in pictures, rather than diagrams, and who wish to grasp the idea of the term efficiency-ratio, might be helped if they can imagine two large gramophone trumpets, each of the same contour, but one slightly smaller than the other. If the smaller be inserted into the larger, there will be an annular space between the inner and the outer trumpets. That annular space represents the path of the steam. The direction of flow is from the smaller, or high pressure end where the volume is small, towards the larger, or low pressure end, where the volume is high. Imagine this annular space filled with blades fixed to the inner trumpet radiating towards and nearly touching the outer, between each ring of these blades a similar lot fixed to the outer and nearly touching the inner. Regarded now from either end these blades would look like louvres, or venetian blinds.

Into this forest of blades, each of course properly shaped and angled to produce rotation of the inner trumpet, Parsons let loose a sirocco, which, if untamed, would tear steel into shreds. Instead of that, this heat Niagara, potentially over forty miles high, flows steadily through its sinuous course, giving up its mechanical energy to the revolving trumpet with the minimum of loss, because at each stage of its journey adequate elbow room is provided for its natural expansion. It comes to rest in the placid atmosphere of the spacious condenser. It is returned to the boiler at relatively walking pace. It is re-charged with its heat value from the furnace of the boiler. It runs along the steam supply pipe, and, passing through the governor valve, is once more introduced to its duty. Now for the efficiency-ratio. He has two velocities to consider, both based upon natural law: (1) The velocity of the blades as they fly through the periphery of a circle (a value usually determined by the requirements of the driven machine); (2) The velocity of the steam as it flows from the region of the high to the low potential (a value calculable from highly erudite physical lore).

The ratio of these two speeds is the principal criterion of efficiency. It shares with all other natural efficiency-ratios the curious characteristic of being what engineers term a variable constant. It varies according to conditions, largely governed by objective. It is constant in that it has a definite maximum value, and can never reach or exceed unity, i.e., 100 per cent.

This value and the criterion of capacity, which is its complement, was evolved by Parsons through a series of empirical formulae. Truly he out-Einsteined Einstein; for the principle of relativity, and calculations based thereon, have been going on at his Tyneside factories for over thirty years.

A visitor to the Chicago station, if he stands on the overhead travelling crane and looks down upon the power-unit supplied by Parsons, and has any conception of the hyperbolic law, he will not fail to see in the very contour of that plant a concrete illustration of its embodiment. There, Boyle and Parsons together, two descendants of the Irish nobility, have a monument representative of the purity of the scientific mind.

## Reviews.

"A National Policy." By Allan Young, John Strachey, M.P., W. J. Brown, M.P., and Aneurin Bevan, M.P. (Messrs. Macmillan. Price, 6d. net.)

Any serious review of Sir Oswald Mosley's manifesto, contained in a pamphlet of 62 pages, under the above title, seems to the present writer to be impossible. It is modestly described by its authors as an emergency programme, and therefore it only suggests the complete remodelling of our fiscal system, the control of imports, Commonwealth development, preservation of peace, the transfer of production from individual initiative to a national planning council, the setting up of a national investment board (? who acquires the securities), radical modifications in the coal industry, the geographical redistribution of industry, the complete remodelling of the Governmental machine, the formation of a Council of Five completely to control the country, and a few minor matters such as "a drastic reform of the whole methods of dealing with electricity and transport," finding work for the whole of the unemployed, the establishment of a Ministry of Defence in place of the Army, Navy, and Air Force Ministries, to employ the time of this Council when leisure hangs heavily on its hands. To quote the conclusion of the pamphlet, "It is not suggested that it covers the whole ground of political affairs... such major subjects as education, the future of India, or, indeed, the whole question of foreign affairs," are to be dealt with a little later. It thus restricts its activities, since its authors feel that any programme for deal-

ing with the present crisis must be a practical one, i.e., "it must secure the willing co-operation of the business world as a whole." (!)

So far as questions of currency and credit are concerned, its views are sufficiently indicated on page 41 in the words, "We believe that no economic proposals will in the end succeed unless they include the rational planning of currency (sic) so that the present disastrous fall in the general price level is arrested, and producers are given a firm expectation of a reasonably stable price level in the future." Well, well!

I suppose it would be unreasonable to suggest that some of the producers of this document should try organising, or reorganising, a small business as a preparation for remodelling the British Empire.

C. H. D.

The Thinker's Library. (Watts and Co. 1s. each.)

XVII. Lectures and Essays. By T. H. Huxley.

XVIII. The Evolution of the Idea of God. By Grant Allen.

XIX. An Agnostic's Apology. By Sir Leslie Stephen.

XX. The Churches and Modern Thought. By Vivian Phelps (Philip Vivian).

These latest additions to the excellent "Thinker's Library" are rather more controversially rationalist than most of their predecessors. The most valuable is that by Huxley: it includes his brief *Autobiography*, his *Lectures on Evolution*, a very clear account of the Palaeontological evidence, three essays on Christian tradition, and that masterpiece of controversial humour, *The Value of Witness to the Miraculous*. Grant Allen attempts to trace all religious practices to the worship of a deified ancestor, and infers that "the god of the Hebrews, who later became sublimated and etherealised into the God of Christianity, was in his origin nothing more or less than the ancestral sacred stone of the essays on Israel." More philosophic and less dogmatic are the essays of Sir Leslie Stephen, of which the most helpful is that on "Toleration." *The Churches and Modern Thought* contains a fairly exhaustive account of the arguments against the truth of doctrinal Christianity, and ends, like Huxley, with a confession of complete agnosticism. It only remains to add that these volumes, like the rest of the *Thinker's Library*, are excellently produced and astonishingly cheap.

I. O. E.

## LETTERS TO THE EDITOR.

### PROUDHON V. MARX.

Sir,—A recent suggestion that the genealogical tree of the Douglas-New Age Social Credit Theory is rooted in the economic philosophy of Karl Marx, is evidently an error. To relate it to Proudhon, on the other hand, is more near the mark. The economic conclusions of Marx and Proudhon were essentially antithetical. Proudhon preceded Marx by nearly twenty years in a masterly exposition of capitalistic production; and his suggested remedy was exactly the opposite to that of Marx. Marx did not understand the money question. Proudhon did, and that made all the difference. Moreover, the followers of Marx never interested themselves in the money question. In this country the Marxian propaganda, conducted chiefly by H. M. Hyndman and his Social Democratic Federation, made some sensational gestures during the late eighties and early nineties of the last century, in parks and places where they spoke and parliamentary elections. Many of these candidates were ultimately rewarded by good government jobs, and the Labour Party of the present day is only a mildewed memorial of the S.D.F. of years ago.

The ideas of Proudhon concerning "the dissolution of government in the economic organism" were primarily popularised by Benj. R. Tucker, of Boston, U.S.A., who first translated into English the two most important economic works under the titles: *What is Property?* and *System of Economic Contradictions*, and then published an elucidation of the many phases of these ideas in his journal *Liberty*, for nearly thirty years. In this country Henry Seymour was the first, in 1885, to write and publish journals, pamphlets, etc., and to organise lectures, debates, and societies for the discussion of free banking; for the purpose of creating a machinery to bring about the establishment of an equilibrium between purchasing power and productive power. Thus may be seen the fact that Proudhon and not Marx, was the historical precursor of Social Credit. Of course, if it had been possible to demonstrate that Social Credit legitimately descended from Marx, the Press of our day could effectively label the supporters of Douglas as

"Reds" and "dirty Bolshies," just as the Press of years ago similarly stigmatised the followers of Proudhon as "bomb-throwing anarchists."

W. J. ROBINS.

### MARX AND SOCIAL CREDIT.

Sir,—The discussion aroused by Mr. Symons' article is of great importance to us all. May I make a brief reply to Fr. Demant's letter of April 2? He is quite right in pointing out that Marx's economic theory does not derive from Hegel. Such a claim would be manifestly absurd, and in justice to Mr. Symons we should note that he did not make it. I take it that his reference to Hegel's ontological principle was merely a recognition of the debt Marx owed Hegel in a general, "philosophical," way.

Fr. Demant's distinction between Marxian economics and the Marxian interpretation of history must be accepted without a demur. But he would have to quote chapter and verse from Marx to prove that the "evolutionism" of Marx is paradoxical. There are some political economists who confidently assert that the Third International has substituted Lenin's revolutionary opportunism for the gospel according to Marx. But isn't Fr. Demant foisting Lenin's technical deviations on to Marx, and then declaring a paradox? The technique and very existence of the Soviet Union may be incompatible with Marx's principle of historical growth—that is the root cause of the quarrel between doctrinaire Trotsky and the Stalin régime. But it is something else to show that Marx's historical dialectic contradicts his own advice in the matter of social action.

There is no real ground for the endeavour to discredit Marx's principle of "surplus value" by distinguishing between the capitalist and the financier, and then attributing the "robbery" to the financier rather than to the capitalist. I, too, have always recognised the usefulness, in critical analysis, of the distinction between financial and industrial capitalism. But Marx used them both in the same category, as "capitalism," and therefore in his own terms said exactly what Fr. Demant would have had him say. Under Social Credit finance the "capitalist" of the present system would certainly be no more. Since my recent arrival in England I have been amazed at the apparent belief of many Social Credit proponents, that their financial system and price principle do not entail changes in the proportions of a revolution!

In my humble opinion it is a mistake to accuse the Marxian theory of a "radical failure" to understand the machine. As in Social Credit theory, the machine is regarded by Marxians as social "credit" or wealth, and on the basis of the labour theory of value, is to be regarded as increasing the value of the actual labour involved in production. Nothing like merely human muscular toil is connoted by the term "labour." In a given unit of production, the introduction of a new machine increases the productive capacity of the worker retained to control it in direct proportion to the labour power "laid off." Therefore, the actual labour involved, in money terms, suffers no change.

It may be a mistake, so far as abstract theory is concerned, to exclude utility as a constituent of value. But that is a question quite apart from the present problem, and quite separate from the problem of the machine as influencing market value and price, or wages. The Marxian principle of surplus value is in no way invalidated by the process of mass production.

I agree with Fr. Demant that Social Credit has made a special contribution to our understanding of the reaction between money and the machine. I should go further than that. The contribution of Social Credit is more than special; it is vital.

JOSEPH F. FLETCHER.

Sir,—I am grateful to Mr. Demant for his analytical criticism, but I think his letter really proves my point.

The reason that Karl Marx is of more significance for Social Credit than all earlier or contemporary economists or critics of the Capitalistic form of society, is not only the parallelism of his analysis, but that whilst they all have passed into the limbo of the academic bookshelf, Marx has become the chief ferment in society. It is evident that despite the manifest limitations of his theories, e.g., his grudging and belated recognition of utility as a test of value—he did not deny it altogether—he had the quality of genius, and his main analysis of the system and his prophecy of its culmination and supersession are unique and are being justified before our eyes.

Marx has produced a World-movement; and Douglas is doing the same. Douglas on this account stands out from the many contemporary critics of the financial development of Capitalism—as his specific proposals stand out from those of, e.g., Silvio Gessell, valuable as these may be for small experiments within the system. He may be fallible in de-

tail as Marx is. But when the human mind of a period gathers round a man, and becomes protagonist—even with very imperfect understanding—of his views, work of a different order has been done by that man. And humanity is, in this sense, always right.

It would not be true to claim so much for Douglas yet; he is so far implicit rather than explicit in the universal attention now directed to finance. But that Douglas is the catalyst in the ferment created by Marx, who can doubt? The very rigidity of Douglas's exclusion by the Press—almost alone amongst the crowd of self-claimed critics of the financial system—is evidence of the disruptive vitality of his thought. And if it be argued that his disruptive force affects the whole of the social order, I should reply that the social order as a whole is in dissolution not in ferment—a vital difference. Douglas is not concerned with the collapse; his work must by its very nature help the ferment of his time, and qualify IT. For out of the ferment comes the future.

Is not Mr. Demant mistaken when he writes that "there is an external resemblance between the 'just price' of Social Credit and the Marxian theory of value." I think the resemblance is internal, despite its external variations. It is "the unearned increment of association," the product of "the collective labourer" in Marxian phrase, which is central to both doctrines. Both over-simplify their picture of society to make their point: the one by regarding the workers as the whole community, the other by ignoring labour's direct remuneration and depending wholly upon a national dividend or price-ratio to correct the inequalities.

But the common understanding of Marx and Douglas—and of no other two world-figures as far as I know—is that so long as the increment of collective (i.e. machine) production over hand production is returned to the credit of capital, without its correction by social distribution of its money equivalent, the community cannot enjoy the fruits of its own productivity. And the insight of these two men is exhibited in their common recognition that whether capital be publicly or privately owned, and whether the return be "stolen" by individuals, "frozen" in reserves, or "cancelled" by repayment of a bank loan, the dilemma remains unsolved. It is the return of that increment to capital which must be superseded. Social Credit but corrects the Marxian method of achieving this end.

W. T. SYMONS.

### INCOMES AND PRICES.

Sir,—Your leader on March 17 ends thus:—  
"Surely the common-sense thing is to bring purchasing power up to a point at which it can absorb production, not to cut production down to the limits of an artificially-restricted purchasing power."

Can any of your readers tell us in simple words how this can be done? To me the simplest way seems to be to print enough money to buy the surplus goods, no more, and distribute it as wages, dole, and pension, to those who need the goods. Sellers of goods should not be allowed to raise the price because more goods are sold.

MECHANIC.

### GLASGOW SOCIAL CREDIT MOVEMENT.

An educational public lecture will be given in the Christian Institute, Bothwell Street, Glasgow, on April 28, at 7.45 p.m. Subject: "Credit, Wealth and Demand: Real and Financial." Speaker: Ex-Bailie P. McDevitt, J.P., Burgh Assessor, Clydebank.

### NOTICE.

A reprint of Mr. Hargrave's article, "The Great Pyramid," has been privately financed, and a certain number of copies will be available this week at the Credit Research Library, 70, High Holborn, W.C.1, price 1d. each. While not necessarily endorsing every conclusion arrived at in the article (and indeed no conclusion can be final at this juncture in the crisis), we are in general agreement with the analysis, and regard it as a useful frame of reference within which propagandist policy and tactics should be considered. In our experience, nearly every new convert to Social Credit begins by constructing schemes for organised propaganda without waiting to learn the nature of the obstacles to be overcome; and older converts frequently have to expend a lot of time explaining why this or that scheme is faulty in principle or administration. In our opinion this pamphlet will serve as a labour-saving device in such circumstances.

As is now recognised by readers, our editorial function is to preserve the original drawing and specification of the Social Credit mechanism, and to see that the design is not tampered with by either friends or enemies. For the rest, we, like any other supporters of the movement, are all attention to hear of any sound marketing ideas that may emerge.

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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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