

# THE NEW AGE

INCORPORATING "CREDIT POWER."

A WEEKLY REVIEW OF POLITICS, LITERATURE AND ART

No. 2055] NEW SERIES Vol. L. No. 13. THURSDAY, JANUARY 28, 1932. [Registered at the G.P.O. as a Newspaper.] SEVENPENCE

## CONTENTS.

	PAGE		PAGE
NOTES OF THE WEEK	145	THE FILMS. By David Ockham . . .	152
The Judges' salary-cuts, the Constitution, and the collective responsibility of Cabinets.		<i>Around the World In Eighty Minutes.</i> Frankenstein.	
"A + B" AND "EVERYMAN" (Editorial)	148	MUSIC. By Kaikhosru Sorabji . . .	153
MR. O'DUFFY'S NEW BOOK. By A. B. . .	149	"Broadcaster" on Busoni in <i>The Radio Times</i> . Olga Haley. Evelyn Scotney. Carl Nielsen.	
LIFE AND MONEY.		NEWS NOTES (Editorial) . . .	154
THE I.C.F. CONFERENCE (Editorial) . . .	150	CORRESPONDENCE . . .	155
CURRENT SOCIOLOGY. By Paul Banks . . .	150	C. F. J. G., Richard Holyoake, Hilderic Cousens.	
Mr. Goodenough's speech and its implications.			

## NOTES OF THE WEEK.

The following is taken from the *Morning Post* of January 18:—

Mr. Justice McCardie, in charging the Grand Jury at Cambridge Assizes on Saturday, emphasised the importance of "maintaining the security and independence of His Majesty's Judges." He mentioned this, he stated, "because of recent attempts and recent events."

"It is well in these days," Mr. Justice McCardie said, "that the public should realise that a Grand Jury possesses high constitutional rights. In my view it is desirable that the Grand Jury system should be retained at Assizes throughout the country. It should never be forgotten that you, as a Grand Jury, represent an important reserve of power in the Constitution."

"In these dangerous and bureaucratic times no one can foresee the day when the Grand Jury may not become of great and urgent national importance. I emphasise these matters, just as I would emphasise briefly the importance of maintaining the security and independence of His Majesty's Judges. For generations past these Judges have been a barrier against executive oppression. If once the security and independence of Judges be destroyed, or impaired, then a British institution will have passed away."

"I mention this because of recent attempts and recent events that I need not deal with further."

"I would say to you, as I would say to the whole British people, that if that prestige, independence and security are once destroyed it will be impossible to restore them fully again in the future."

On January 19 the *News-Chronicle*, in a prominent front-page article, stated that His Majesty's Judges were sitting in secret conference on issues raised by the 20 per cent. salary-reduction imposed on them. According to this article the vital constitutional questions likely to be raised are:—

"The prestige and independence of the English Bench."

"Whether or not a deliberate attempt has been made to enfeeble the power of the Judges."

"That a precedent has been set up which threatens the whole of the Bench."

It is even held in some quarters that "there is a definite tendency on the part of certain Ministers to weaken the power of the judges." Judges maintain that they are not "servants of the Crown" within

the meaning of the Economy Act and Order of the Council by which their salaries were cut. A person in the service of the Crown, it is argued, can be dismissed by the Crown. No judge can be removed from office except by a majority vote of both Houses of Parliament and the approval of the King. It is pointed out that the Government made no effort to consult the judges, many of whom returned from holiday abroad to find their salaries cut by one fifth. They argue that this action means that their status and vitally important position in the Constitution have been ignored; and that on this precedent a future Government could destroy once and for all the dignity and independence of the Bench.

Before proceeding to comment on this event we subjoin references to the dates of issues of THE NEW AGE, in which we have analysed the legal situation in relation to the power of the banks.

October 31 and November 7, 1929. Review of Lord Hewart's book, *The New Despotism*.

November 6, 1930. Critique of Mr. Harold J. Laski's attack on lawyers.

January 1, 1931. Analysis of Mr. Justice Wright's judgment in the action of the Bank of Portugal against Messrs. Waterlow and Sons.

April 2, 1931. Comment on the conflict of judgments between Lord Justice Scrutton and Lords Justices Greer and Slesser in the Waterlow Appeal on a question of fact, i.e., What was the cost to the Bank of issuing new notes to replace the forged ones—their face value, or the cost of printing? [The Waterlow Action and Appeal can be read in the *Times Law Reports* of January 30 and May 1, 1931 respectively.]

April 9 and 23, 1931. Bankers' intrigues in Australia to twist constitutional law into conformity with their own policy.

June 4, 1931. The Drapery Trust's issue of £123,275 20-year Notes in order to settle a claim by Lloyds Bank—directors decide on settlement without giving shareholders an opportunity to say whether the case should be taken to Court.

June 4, 1931. M. Leon Franklin's £450,000,000 claim against the Westminster Bank laughed out of Court.

June 25, 1931. "Legislative Lawlessness." The case of Mr. F. H. Hamilton—the law altered in his disfavour by the House at Snowden's instance while litigation was



actually in progress between him and the Tax Authorities.

July 30, 1931. The opening of the Kysant trial.

August, 1931. The result of the Kysant trial.

November 12, 1931. The result of the Kysant Appeal.

We suggest to professional journalists that it will be worth their while to acquaint themselves with the facts and arguments contained in the above series, because they are all logically inter-related, and the whole of them taken together constitute a clear frame of reference in which the issues that are bound to arise out of the Judges' present deliberations can be made intelligible to the general public. We should say that this "Judicial Crisis" is going to open up matters that will rivet public attention as firmly, if not more so, than the "Financial Crisis" out of which it has developed. The Press shares with the Bench the responsibility of pronouncing judgments; and professional journalists should easily see that the foreshadowed doctrine by Judges of the "Freedom of the Bench" is fundamentally identical with the more familiar doctrine of the "Freedom of the Press." All true journalists will back the Bench against the Bureaucrat; and we advise such to take the trouble to study the brief which they will find drawn up in the series of articles which we have indicated.

Take one most important matter that has already been raised (in a leading article in the *News-Chronicle*), namely, that if the Judges proceed to challenge the legality of the cuts in their salaries, there is no authority but themselves to try the issue! What is the answer? Let us indicate one answer. Under the "Departmental Order" abuse so trenchantly attacked by Lord Hewart the Departmental Official becomes the judge in all suits to which he is a party. On that precedent there is *prima facie* propriety in the Bench's adjudicating on the salary issue. "Ah," somebody will immediately reply, "but the Departmental Bureaucrat has no personal interest in the outcome of his judgments. We agree—with the reservation that his judgments are based on considerations of the efficient functioning of his Department (obviating the "law's delays") and on that efficiency depends his job and his salary. But, even waiving the reservation, there is another answer, which is that the Bureaucrat is an agent. Of what? Well, his duty is laid upon him by Parliament—but, in Lord Hewart's expressive phrase, by an "absent-minded Parliament." Now, an absent-minded legislature can be nothing more than a transmitter of authority—an unconscious agent. The authority must proceed from behind Parliament. And it does. It proceeds from Finance, of which the Treasury may be regarded as the political agency, which independently imposes duties and confers powers on the Bureaucrats. But Finance, the ultimate source of the transmitted authority, is not a Parliamentary institution, it is not even a public institution, it is a private monopoly seeking ends which, to speak shyly, are no more identifiable with the public interest than are those pursued by brewers, bakers, or any other manufacturers and traders one cares to name. That monopoly is the Bank of England. Now, on technical evidence, it can be proved that economy on the part of any citizen of this country is a business asset to the Bank of England, and by extension to the joint stock banks. That is to say, that the £1,000 knocked off a judge's salary is a subsidy to the bankers. The difference between this subsidy and what popularly goes by that name is that the banks do not spend it on receipt, nor do they save it: they destroy it. (*Vide* Rt. Hon. Reginald McKenna in *Post War Banking Policy* on the "destruction of deposits.") And in their accounts neither the fact of this destruction, nor the measure of it, persists as a record or entry, or if it does, not in a form accessible to the public or even to a Court of Law. And

just as it requires, as we are told, a majority vote of both Houses of Parliament to deprive a judge of his prerogative of pronouncing judgments, it can be shown that nothing short of the same majestic process could deprive the bankers of their prerogative of suppressing evidence and thus vitiating judgments. Commenting on Mr. Justice Wright's judgment in the Waterlow Case (*THE NEW AGE* of January 1, 1931) we wrote:

"The lesson we draw from this trial is that there ought to be special tribunals to try cases which raise fundamental questions of credit-policy and credit-technique. The reason is that the Courts at present, when trying issues in which the policy and interests of banks are seriously involved, are unable to apply the Rule of Law, of which the most important feature is the principle of adjudicating every case on its own merits. . . . The doctrine that cases must be heard on their own merits is unintelligible unless it means all the merits. If the Courts are unable to make a complete survey of all relevant evidence the Liberty of the Subject is in as great jeopardy as when the Courts are prohibited from making any survey at all. . . . And not only is evidence ruled out which ought to be admitted in the hearing of suits to which the banker is a party, but much other evidence which could be used with effect against him is not accessible because he alone is in possession of it. So in all important litigation affecting finance the banker enters Court with his case virtually won."

In the light of this situation the *News-Chronicle's* reference, in a recent leading article, to the impropriety which would be involved in remitting the grievance of the Judges to the adjudication of the Courts, opens up an important issue. Let us allow the Gilbertian pedigree of its picture of the Bench as a judicial body adjudicating on an issue to which its members are individually parties. But there is no more impropriety in judges securing their salaries by Orders of the Court than in bankers securing their subsidy by Orders in Council. If the *News-Chronicle* likes to insinuate that, let us say, the Lord Chief Justice is a litigant, and might therefore misuse the powers of the Court in favour of the Bench, we shall submit the counter-insinuation that, let us say, Mr. Montagu Norman is the opposing litigant, and therefore might misuse the powers of the Cabinet in favour of the banks.

Stated thus, it is clear that there should be an adjudicating tribunal, such as we suggested a year ago, possessing higher credentials of impartiality than either of the parties just cited: and we hope it is clear for the other reasons we have indicated, that this tribunal should be invested with power to include any kind of evidence within their Rule of Law that they may, in their own unfettered discretion, regard as relevant; and also to treat as compellable witnesses any persons able to give such evidence. For one thing, their procedure should not be hampered by past suspect legislation such as the Bankers' Books Evidence Act, 1879, nor by "pleas of privilege" hitherto allowed to excuse certain classes of testimony being withdrawn from the jurisdiction of the Court. There are few "State secrets" that are not really bankers' secrets. For example: "A witness is not permitted to answer any questions which involve a disclosure of official communications which are such that it would be contrary to public policy to disclose them" (*R. v. Hardy—1794—24 St. Tr.*, pp. 818, 829. The quotation is from Holt's *Outline of the Rules of Evidence*, second edition, p. 15, published by Stevens and Sons, 119, Chancery Lane, 20 pp., price 2s.) In our own interpretation this statement can be construed: "A witness is not permitted to answer any questions which disclose the potential credit reserves commanded by the banks." For since the banks boast of the power to upset the whole fabric of Government finance, it stands to reason that the Government must legalise the immunity of the

stewards of bankers' secrets from the jurisdiction of the Courts. Naturally the bankers, who launched the "crisis"-scare, threw out the Labour Government, nominated the National Cabinet, designed and imposed on it their own economy-policy, and stamped the electorate into endorsing it—all on the supposed ground that the country hadn't got a shot in the locker, would regard it as "contrary to public policy" to allow it to be discovered that the empty locker had a false bottom.

But when we come to the question of the personnel of our suggested super-tribunal we confess that we are up against a tough proposition. There is no lack of persons whose credentials and character would evoke public confidence, including—which is the really important consideration—our own confidence and that of our readers. The trouble is that trained judicial minds have inherited the disease attributed by Lord Hewart to the Legislature, namely, circumscribed alertness. They are products of a system of training designed to leave a blind spot in the vision of judicial scrutiny. As an example of the result, we have a first-rate judge in the person of Lord Justice Scrutton who, except for the adventitious circumstance of the Marang deal in illicit Portuguese notes, might never have given a thought to the question whether notes cost more than the amount of their face value or the amount of the printer's bill—let alone the implications of the question, which are more important than the answer to it. Similarly, when Mr. Leon Franklin came before Mr. Justice MacKinnon, with his claim against the Westminster Bank for, nominally, £450,000,000, Sir Patrick Hastings, counsel for the Bank, submitted that "even the suggestion" that anybody had a claim against the Bank of such dimensions "had a prejudicial effect on the minds" of ordinary people. "In the circumstances," he went on, "it is essential that it should be realised that it should not be considered as arguable that such a ridiculous claim should be seriously put forward in a court of justice." Here was Counsel for one of the parties arrogating to himself the function of delimiting the jurisdiction of the Court, and virtually in the claim was *ipso facto* invalid inside the Court and against public policy outside. This was urged despite the fact that Mr. Franklin was only asking for a matter of £12,000, his purpose in bringing the action being to "establish the sanctity of a dismissed." The case was accordingly ridiculed and dismissed. When reviewing it (*THE NEW AGE*, June 4, 1931, p. 54) we wrote:—

"Having regard to the ignorance of judges generally concerning the inner truth about the technique and manipulation of credit; and also allowing for the limitations subtly imposed through financial legislation on the scope of the Courts' discretionary powers of admitting evidence, there was nothing improper, and something quite natural, in Mr. Justice MacKinnon's reaction to this strange and startling claim. Nevertheless he was administering a code of law which is loaded, like dice, against non-banking litigants. And so injustice is done, though justly pronounced."

We concluded the above observations as follows:— "In Court, as administrators, judges cannot help this; but outside, as intelligent citizens, they can learn something about it, when they will proceed, we hope, to do something about it." (Our present italics.) Our hope looks like turning out a prophecy.

Indeed it is time those capable of responsible intervention to repair the Constitution should stir themselves if only to arrest an impending irresponsible revolt against the anarchical tyrannies now operating under it. Readers of the newspapers cannot help noticing of late that one of the normal

duties of tax collectors appears to be that of giving evidence at inquests. With monotonous regularity coroners' juries inscribe the names of new heroes on the Bank of England's Roll of Honour. "They died for the Budget." The incidence of casualty, too, seems to be shifting up to the officer-class. "Really nice" people enter the cemetery by the early doors nowadays; and the social quality of the suicide-queue improves at a rate commensurate with its rapidly extending length. No doubt this will accelerate the pace of entry, for when in future Henry Dubb is tempted to dally at the door with his draught of hemlock, the knowledge that his hesitancy is holding up the Duke will confirm his resolution, and he will gulp his way through to eternal solvency. How indeed should Lazarus hesitate when Dives himself is a defaulting debtor? Our study of inquest-procedure stirs up a further fancy; and it is, that, round the lethal doorway through which this queue of bankrupts winds to greet the Omniscient Receiver, whose attribute assures His forgiveness, are clustered a group of anxious tax-collectors. They are there to pick up the debt-notes dropped by the guests—dropped, as it were, like cards of admission into the hand of Death, the Warden of Release appointed to prevent gate-crashing. These the collectors smuggle out of sight, and later on urgently sort them, hoping against hope not to find tax-demand-notes among them. When they do they run to the coroners, praying them to bring in, if at all possible, some "cause of departure" other than the one they feel is the real cause. Poor simple souls. The departed, who, in the eyes of the law, committed a sin and shirked their duty, can look with pitying serenity on these agents of the law whose faithfulness to their imposed duty condemns them to the pangs of remorse. "I hope I had nothing to do with it," said one of them at an inquest recently, near whose house the citizen from whom he tried to collect the tax inconsiderately killed himself. Let him not worry. It is not he to whom responsibility will be traced or from whom retribution will be exacted.

*Quem Deus vult perdere prius dementat.* This hackneyed tag has such a pointed application to the most recent development in the Government that its use is imperative. We refer to the staggering decision of the Cabinet to abandon the doctrine of the collective responsibility of the Cabinet, a decision taken, moreover, just at the moment when the judges have begun to raise the issue of Constitutional procedure. This act of "Constitutional Lawlessness" is the logical climax of the Administrative and Legislative Lawlessness discussed earlier in these Notes. And it is not without significance that the defence of this breach with British tradition should be undertaken by a man whose lifelong affiliations with high finance mark him as cosmopolitan rather than national in political philosophy, if not in personal sentiment—namely Sir Herbert Samuel. He gives himself away in his apology by the attribution of the term "elasticity" to the Constitution. The proper and accepted physical term is "fluidity." The term "elasticity" connotes stretching; and the act of stretching connotes the causation of strains in the material stretched. (So, by the way, does the term, and the act, known as "twisting.") When we speak of a fluid Constitution we do not mean anything like this. We have in mind the analogy of water, when by the operation of natural laws it finds its own level and pursues its own course along its natural channels. The stretching of elastic, though permitted by one of the properties of elastic, does not proceed from the nature of elastic. But the level and the flow of water, its adaptation to the configuration of its channels, do proceed from the nature of water—which even finds and forms the channels



which contain it. We could extend this analysis, and relate it to the structure of the Constitution, but do not propose to do so at present. If any readers want to follow the matter up—and it is worth doing—we recommend them to study the earlier chapters of Lord Hewart's book, *The New Despotism* (Benn), or perhaps the review of it in our issues of October 31 and November 7, 1929. Briefly, the British Constitution is the ultimate product of induction from the merits of innumerable cases; whereas other Constitutions tend to deduce merits from general principles and to codify them in advance rather than to allow the codification to happen as a by-product of decided cases. The difference can be indicated in a rough way by reference to Lord Hewart's remarks on "excessive prescription." But for Departmental Orders overriding the Court's authority, Lord Hewart plainly suggested that in deciding a case he would certainly take into consideration the question whether a poor panel-patient should not have the best treatment, as well as the question of the price of the treatment. In other words he would balance the human against the financial merits of the case—whereas at the present time the former are kept outside his jurisdiction. The Treasury pulls the elastic.

Readers who have followed the course of *The Times*'s recent pronouncements on the tariff issue will be able to piece together the explanation of the new Constitutional principle of divided responsibility. We will set down some of the pieces:—

\* Bankers stand for Free Trade.

The Free Trade Party is the Liberal Party.

The bankers' objection to tariffs, however, is not fundamental. If tariffs are insisted upon, they will accept them.

But they must be "managed tariffs." The "managers" must be bankers, or financial experts approved by bankers.

The object of the management is to prevent internal rises in the price of (a) food, (b) raw materials, particularly those used by British exporting industries.

That object is the policy of the Liberal Party.

It is for that object that the four dissentient Liberal Ministers have gained a free hand to oppose the majority-policy of the Cabinet. (Snowden is, of course, a super-Liberal—the "Bankers' Minister.")

The majority-policy may be described as the policy of representative political control of tariff-making as opposed to professional financial control.

The consequence of political control (in the present circumstances Conservative control) would be tariffs according to industrial pressure irrespective of the effect on internal price levels.

A rise in internal prices would make a rise in personal incomes imperative; and the dual rise would necessitate an expansion of currency and credit.

Hence the Conservative Protectionist policy involves political interference with credit policy.

The bankers' objection to such interference is fundamental.

Therefore they want to signalise their objection in an emphatic manner (a) as a reassurance to their fellow-bankers abroad that their common interests are being watched; (b) as a warning to exuberant Protectionists at home not to expect to have everything their own way; (c) as a dispensation to the electorate to consider themselves free to take sides on this particular issue without infringing the doctrine of national unity for which they voted. ("When father turns we all turn.")

Hence the improvisation of the new Constitutional principle that Cabinet Ministers may be in the Cabinet without being of the Cabinet.

The principle is not absolute—it applies only to issues on which the bankers' views differ from the Cabinet's.

It will be seen how well-chosen was Sir Herbert Samuel's attribution of elasticity to such a Constitution. It is one under which, as we may yet see happen, the City can engineer a reference back to the electorate of any item in their mandate to which it objects, and at any time it wishes. This truth peeps out between the lines of the Samuel Apology. He says that the doctrine of Collective responsibility was only imposed on Party Cabinets and has no justification when the Cabinet represents all the parties. Quite so. In the days of Party Government the bankers could always get their case taken up for them by the Opposition. But to-day there is no Opposition to speak of. So they have to create one—one led by first-rate debaters, and supported by an influential Press which, along with the electorate, will preserve a clear conscience in taking the bankers' part—not to speak of the clear profits.

### "A + B" and "Everyman."

In the issue of *Everyman* for January 21, S. G. H. writes the first of two (and perhaps more) articles on the A + B Theorem. Readers interested in this writer's criticisms are advised to get copies of the journal, because no extracts from them can give a true picture of the mixture of methods of argument used by him. Our present attitude to the bottle of something like Mrs. Gamp's towards the bottle of spirits on the mantelpiece—it can be left there until we are "disposed" to take a little: that is to say, we may sample it from time to time according to our own mood or convenience. Neither the credentials of the critic, nor the status of the paper, afford any urgent reason why Major Douglas or we should go out of our way to unravel the tangle of ideas which constitutes this alleged disproof of the Theorem. Again, the "disproof" is not yet complete; and, until it is, we should be risking lost time if we examined the arguments already published, not knowing whether the knock-out argument was not reserved for the "next thrilling instalment." Moreover, the author may be relying on the cumulative force of his arguments instead of any one of them to achieve his purpose, in which case it would be unfair to him for us to interrupt him, and unfair to ourselves not to allow him the opportunity to contradict himself. Let the "banker" finish his "letters to his son."

We are much less interested in what S. G. H. is writing than in seeing who is going to sponsor it when written. We hope that the articles will be republished in pamphlet form, and that the author gets some well-known financial authority to contribute a preface endorsing the statements and arguments constituting the disproof. Alternatively, or perhaps additionally, the editors of *The Banker* and *The Banker's Magazine* might commission S. G. H. to contribute versions of his case cast in a form more suitable for responsible investigation than that now submitted to the readers of a popular weekly.

We notice that the subject is introduced to these readers in such a way as to leave them entirely unconcerned whether there is a flaw in Douglas's reasoning or not. Any reader of THE NEW AGE who consults the article under discussion will see that its effect is bound to be that of discouraging investigation. Mr. Everyman will get two impressions: (a) "The subject is too intricate for me to understand"; (b) "What's the A + B Theorem got to do with me,

anyway?" Usually, when the editor of a popular journal introduces a new and technically difficult feature to its readers, he prefaces it with an explanation of its practical import—he tells them why it is worth their while to read it. It was by such a method that the popular Press was able to set washer-women dipping into Einstein. Why omit it in the case of Douglas? We suggest that it is because a plain and prominent statement of the practical issues depending on the truth of the Theorem would make Mr. Everyman want Douglas to be right, in which case he would be impelled to seek further enlightenment. As it is, he has no incentive to do so, and will in future plead that "Douglas has been answered" in order to justify his mental inertia to himself. It is a moral certainty that most of S. G. H.'s disproof is unintelligible to the public. This in itself effectually destroys interest in hearing the answer, and supplies an additional reason why there is no particular call for a reply, or, at any rate, for a reply on the same lines as the challenge, and in the paper which gives it publicity.

We suggest a second reason why this article is published—namely that it will be cited as a disproof of our contention that a boycott exists. We shall wait and see. If no public notice is taken of it in other and more responsible quarters we shall deny its validity as evidence. Ten years ago we should have been thankful for an advertisement of any sort in any quarter for Major Douglas's Theorem; but since then Douglas's stock (to use the language of the investor) has established itself sufficiently to justify our demanding that it be given a quotation on 'Change—which is to say that its name, nature, technique and import shall severally be given publicity each in its own appropriate channel. To present only its elusive mathematical content to the man in the street, and only its apparently far-fetched political implications to technicians, is for practical purposes almost as rigid a boycott as the dead silence which has been observed since 1920. Social Credit has become without exception the most popular topic of whispering in the inner circles of permanent officialdom, whether of the State, the Municipalities, Trade Unionism, Co-operation or Private Capitalist Enterprise, including the banking institutions themselves. That it should continue to be unnoticed by the Press in these circumstances is a joke of such dimensions as to constitute a dynamic advertisement for it; and we are not surprised that Fleet Street is beginning to unlatch the front-door, though cautiously keeping it on the chain. Probably it hopes that a little nominal publicity will retard the expansion of real publicity that has been gathering round the subject.

It is of course possible that, in the case of *Everyman*, the publication of the article may have been the outcome of a spirit of commercial enterprise. And it is also possible that for some reason or other there is more curiosity about ideas on finance than we have allowed for in our earlier remarks. There is no mistaking the meaning of the rush for books on finance that set in when the late Government fell; and a public which demands books demands articles on the subject; and if on the subject, then on the ideas dynamic and therefore hotly controverted be money in Social Credit, as is evidenced, among other things, by the fact that within the last few months the number of commercial publishers issuing books and pamphlets on it (presumably at their own risk) has increased from one to four. So not long hence it will be topical; and therefore a remunerative feature for newspapers to exploit, irrespective of whether they support it or attack it. Major Douglas deserves their commendation for providing them with a market while they are yet sinners—just a little sample from the bulk ready for delivery as soon as they repent.

### Mr. O'Duffy's New Book.\*

This is an excellent piece of destructive criticism directed against orthodox economic principles. It is a moral indictment of economic ideas and practices, but one which, in refreshing contrast to most writings on this plane, is at every point kept in clear relation to the physical facts and necessities of human life. Mr. O'Duffy is showing in effect that any code of morals which is to govern conduct beneficially in the region of economic activity must conform to a principle compatible with that on which science is perfecting its control of natural forces. There was once a time when most forces external to human energy operated inimically to mankind. That is probably why men called them "blind." It would have been better to call them "wild," because while one does not readily think of a blind thing becoming a seeing thing, he readily thinks of a wild thing becoming a tame thing. Science has turned nature into a domesticated animal, and in doing so has made nonsense of all standards of conduct derived from the days when nature was a wild beast.

Accordingly Mr. O'Duffy, in his apt and entertaining style, makes nonsense of all sorts of popular notions and arguments referable to those obsolete standards; and any lecturer on Social Credit who has had experience (and who has not?) of the objector who prefaces his criticism with the words: "Yes, but do you think it would be a wise thing to . . . ?" etc., etc., will thank Mr. O'Duffy for the guidance he affords in his quick-witted manner of stating and answering objections of this type. He has the gift of investing his analysis with just that kind and proportion of humour which develops its underlying seriousness. "I have shown," he says (page 79),

"that all the remedies and palliatives advocated for our economic ills originate in one or other of two false philosophies.

"The basic idea of Sisyphism is that the purpose of a machine is to give work to a man.

"The basic idea of Procrusteanism is that the purpose of a man is to work a machine."

On page 69 is a related passage:

"The Sisyphist looks at a teeming population and says: 'How awful! What a lot of hands to find work for!' The Procrustean looks at them and says: 'How terrible! What a lot of mouths to be filled!' Both, you see, only look at part of a man. It never occurs to them to think of him as a whole, and to see that if he has a mouth to fill he has a brain and hands to do it with."

Sisyphus was the mythological person who was condemned to roll a huge stone up a mountain, whence it rolled down again, whereupon he rolled it up again, and so on through eternity. (Readers will see in this a close parallel to Professor Gregory's "trade cycle.") Procrustes was a robber who enticed victims to his lair, where he fitted them to bedsteads, sometimes by stretching short people on a rack, and sometimes by lopping pieces off tall ones. Mr. O'Duffy gives several citations from contemporary economists' writings to show that they embody one or other of the two false philosophies referred to.

A. B.

### Notice.

All communications requiring the Editor's attention should be addressed directly to him as follows:

Mr. Arthur Brenton,  
20, Rectory Road,  
Barnes, S.W.13.

Renewals of subscriptions and orders for literature should be sent, as usual, to 70, High Holborn.

\* "Life and Money." By Eimar O'Duffy. (Putnam. 228 pp. Price 5s. net.)



## The I.C.F. Conference.

We can make a more general review of the proceedings at the I.C.F. Conference which we described and commented on last week. (First, let us make a correction: the gentleman who had suggested inviting Professor Gregory was Mr. Higginson, not Hutchinson.) Impressions of any event immediately after its occurrence are apt to be out of perspective; and in this case the reports that we had received at the time of writing were not complete. From what we have since gathered the conclusion seems to arise that although in one sense our description of the proceedings as a "night out" for the critics present may stand, precautions are necessary to ensure that future nights out are better planned. Several of those present have communicated the view that the discussion following the speeches took the wrong turning, and that the general effect produced was undesirable. They were hoping to secure some measure of direction and co-ordination of the criticism to be offered, which, as events turned out, was rendered inoperative. No doubt there will be common agreement that several items among the criticisms variously contributed were properly included, and produced an effect. But taking the discussion collectively, it travelled in two directions at the same time, on the one hand seeking to discredit the platform's defence of the existing financial system, and on the other, seeking to accredit a particular alternative system. This mixing of the issues has caused some disappointment. Not having been present at the Conference, and not receiving any reports of what was said, except by Professor Gregory and Dr. Sprague, we had to base our commentary on the one reliable fact that critics enjoyed an unexpected measure of freedom in saying what they wanted to.

We said a fortnight ago that the right procedure would be for the critics to deal with the platform on the lines of the Macmillan Committee when examining witnesses. On this principle all the criticism at the Conference should have converged on discrediting the case put forward, and have excluded all advocacy of other schemes. It is true that the Conference was called to consider the "remedies" as well as the "causes" of the "monetary crisis," but the strategy of the occasion demanded the exclusive investigation of remedies (if any) put forward by the financial experts under whose régime the crisis had occurred, and with special reference to their claim to be left to handle the situation without interference. In essence the two speakers were asking for a vote of confidence, and in essence the criticism should have been designed to expose the emptiness of their case—a task which could have been accomplished without reference to alternative schemes of any description.

There is no disposition on the part of those who wanted to keep Social Credit, as a rival plan, in the background to complain of those who brought it into the foreground; and, as a matter of fact the first mention of the name "Social Credit," according to an account we have heard, was by Mr. Higginson, who, after Lord Tavistock had led off with a speech recommending "consumer credit," remarked that he noticed several supporters of Social Credit present, and thought it would be interesting to have Professor Gregory's views on Major Douglas's proposals. Apparently it was in response to Mr. Higginson's suggestion that Professor Gregory went into that question on the lines reported last week. Without questioning Mr. Higginson's intentions in the least, the effect of his suggestion was to cause an association between criticism of the present system with advocacy of an alternative system. Now, bearing in mind that there were people present who had no views

either way, nor much, if any, technical knowledge, they would pay less attention to the qualifications of the critics than to their credentials; they would be guided by collateral rather than direct evidence. So when, as happened, the chief criticism against the orthodox medicine-man, so to speak, came from people who had been pointed out as supporters of a rival medicine-man, they would be less impressed than if the criticism had been detached. If so, Mr. Higginson's doubtless well-meant effort to give both sides a show was, at best, of dubious advantage, and in any case deranged the plans of those critics who wanted to get the whole Conference to stare at Professor Gregory's show only, and to stare it out of countenance.

However, nobody could have foreseen that the ten or twelve supporters of Social Credit who went to the Conference in the modest hope of catching the Speaker's eye and getting a word in would suddenly find themselves occupying the Front Opposition Bench in a full-dress debate. And when it is remembered that advocacy of Social Credit has had to be conducted, as it were, through the key-holes of debating-chambers for the last ten years, everyone would expect that a suddenly opened door should catch them bending. Now that this has happened it is up to those who attend meetings and conferences to discuss future tactics in the light of their recent experience. We have, we believe, given all the facts and arguments necessary for the formation of personal judgments on the matter; and that is as far as our duty takes us.

## Current Sociology.

The speech delivered by Mr. F. C. Goodenough at the general meeting of the shareholders of Barclays Bank has been very widely reprinted, presumably on advertisement terms. Such conditions are a complete safeguard against criticism. The inclusion of the speech is, therefore, either evidence that on the subject of finance the editors of the accepting journals cannot think, or an implication of their parole not to publish their thoughts. There is at present, obvious to every person with the rudiment of a free intelligence, a world-wide war between financial and real credit, in which real credit is held from victory only because its defenders accept the international conventions of the financiers. News of the war appears in the Press only by accident. Comment on it does not appear at all, or Mr. Goodenough's speech would have been the subject of a completely destructive critical analysis. In *The Scientific Outlook* Bertrand Russell observes that eminent men of science, and the most abstruse minutest quantitative precision, and the most abstruse skill in inference, if tackled on party-politics, theology, income-tax, house-agents, and other topics of a like nature, will express wholly untested opinions, with a dogmatism inconceivable in their laboratories. On the subject of finance men of the highest mental equipment, specialists in that very field, are able to ignore fact, experiment, and reality; they are able to repeat gratuitous assumptions as if they were verified laws.

According to Mr. Goodenough, the investments of Barclays Bank stand in the balance-sheet:—  
"at or below their market-price, full provision for depreciation having been met out of the investment reserve account. . . . The head-office premises stand in the books at a safe figure, and the premises account, £6,749,581 is, od., taken as a whole, represents a very conservative valuation."

Because many of the assets of a bank are liable to fluctuate in value with the credit of its customers,

and with investment-market conditions, Mr. Goodenough asserts the necessity of a bank to build up strong reserves. From the narrowest possible point of view of the shareholder or "depositor" in the bank, this appears at first sight axiomatic. Considered a little more deeply, however, and from the standpoint of the community, of which shareholders, depositors, and "customers" all form part, and on which the credit of all depends, the secret reserves in which the strength of the bank hides, as Samson's in his hair, are not only perpetually dangerous, but have been one of the chief causes of the failure to rationalise the financial system. As long as hidden reserves enable current balance-sheets to be balanced, the psychological drive towards reform, motivated by economic pressure, can hardly arise in the banking section of the community. They are, indeed, encouraged to go on regarding themselves as on a par with the handful of righteous people gathered in the Ark. The simple fact that the bank depends finally for solvency on the command of its customers over the community's credit stamps the method of drawing on hidden reserves as communally disastrous. It is comparable to altering the convexity of the mirror to show the patient that he has not contracted phthisis.

In a general commentary on affairs—on which bank-chairmen ought to have more insight than either politicians or industrialists—Mr. Goodenough exposes how unscientific his attitude is outside the very limited technical problem of the immediate safety of his bank within the existing financial system:—

"There is ample evidence that the workmen and workwomen of this country are the most capable in the world, and that they have only to be given a chance under sound economic conditions to prove their skill and ability, and to secure a market for their output.

The sting, of course, is in the tail. Their standard of living is not to depend on their skill and ability. It is not to depend on the real-credit of the community combined with their skill and ability. They are to stuff the market-hall with their products, but they are not to enter as buyers.

"It must, however, be realised that the level of wages and other costs of production . . . must not differ widely from the corresponding level in other countries."

Actually, of course, skill and ability are decreasingly necessary, for the reason that machinery progressively dispenses with both, and could release both, if the potential product could be distributed, for expression in private life or in voluntary group life. Further, the call for great skill and ability along with limitation not only of costs but of purchasing power—two different things which the orthodox financial technician confuses—must lead to his impalement on a dilemma. Mr. Goodenough adds:

"It is essential to economise and to save wherever it is possible to do so without unduly restricting public or private expenditure of a productive or profitable character."

If for the sake of mental clarity and integrity Mr. Goodenough would disentangle this remark; if he would distinguish the artificial financial causes of the necessity to save from the real causes of the necessity to spend, he would gain the means of saving the character and soul of his profession, along with the bodies of mankind.

Whether Mr. Goodenough's speech was criticised at the shareholders' meeting naturally does not emerge from the advertised report. But the sentiments of those who congratulated the chairman ought to make him very unsure of himself. One banker recommended the practice and thought of politicians to politicians. He suggested that every politician ought to have one of those sweet American cards on his desk; not the one which inspires confi-

dence by anticipating better times in the New Year, but preferably the one that encourages stoicism: "Whatever is economically unsound is politically inexpedient." Was ever so ridiculous a maxim? In the first place every item of policy suggested by the bankers since the war, including reparations "settlements," deflation, and the last Budget, at the time of recommendation pronounced economically and financially sound, has proved to be economically, financially, and politically impossible. Secondly, the history of banking demonstrates that everything politically necessary could be adopted from moratorium to war-scale production and distribution. Thirdly, the financial system as a whole has demonstrated itself totally unsound, since it has imposed on the world the artificiality of decreasing consumption against industry's real capacity for increased production. There is nothing lacking for prosperity but purchasing-power; which can be created only as a result of the supersession of the credit monopoly by a system of credit for everybody.

In the war between real and financial credit, real credit must win in the long run. But if finance, instead of making terms, insists on a fight to a finish, there will of necessity be a period of world-wide breakdown. Real credit must win for the reason that illusion cannot be permanent in the teeth of experience. That is the history both of science and of mankind. *The Observer* of January 24 contains three curious little balance sheets. Two are in the humorous column, appropriately headed "At Random":

"Fifty tank steamers will be built in Spain for the Soviet, and payment will be made in petrol."

"One of the largest cotton spinning firms in Bolton have been asked by the Hungarian Weavers' Association to barter yarn for pigs."

Russia will make use of the tank-steamers, and Hungary will make use of the yarn, if the Lancashire spinners accept. But can Lancashire eat the pork? If it solves that problem, barter will have advanced a stage farther, and a battle will have been won by real credit. The third balance-sheet is even more significant. It appears in an article, by the *Observer's* "Air Correspondent," on the stoppage of work on the Fly-Boat. "Profit and loss," the writer says, may be represented as

SAVING.	SACRIFICE.
At most	(1) An important design.
£20,000	(2) Two years' design and building.
	(3) Employment for some highly-skilled men.
	(4) The opportunity for early operational experience with this type of aircraft."

That is one of the few sensible balance-sheets, or, rather, profit and loss accounts, published on behalf of any firm or community. If communities had as much understanding of their own secret reserves as bankers have of theirs, such a profit and loss account would ensure the immediate restarting of the work. It is a form of account which can be applied in principle to every economy thrust upon communities in this economic age; and it is a form of account which totally condemns the standard of financial adjustment which has dictated the economies. While *The Observer* as a whole rants in favour of the existing financial system, its Air Correspondent has exhibited in one brief document the *casus belli* of real credit against financial. Fundamentally the financial credit-system withholds from this and other communities the opportunity of enjoying the fruits of their associated powers.

*Time and Tide* publishes an illuminating article by Count Sforza on the political condition of Ger-



many. Young Germany, he writes, does not so much believe in Hitler or Hitlerism as disbelieve in all alternatives. Hitlerism may not be better, but it is a change, and it cannot be worse. The nineteenth century principle of individualism, he says also, is dead in Germany. There is no scope for it, and nobody, therefore, can believe in it. Individualism, of course, is possible only as long as the prospects of success are rosy enough to render the competition it implies worth entering. Hold an examination with a hundred good posts as prizes, a thousand candidates will compete. They will obviously not compete if there are no prizes, a state of affairs rapidly approaching in the present economic system not only in Germany. In such circumstances each individual wants to cut himself off from the system to have scope outside it. One expression of Nationalism is due to a desire to escape from that particular inter-dependence of nations which is employed to excuse the impotence of individual nations to set their own houses in order. Scottish Nationalism, Indian Nationalism, are symptoms and criticisms of the subservience of England's economic and cultural policy to an unreal financial system. Psychologically, individualism led to a feeling of isolation, which was borne, however, for the sake of success. The life of man on the emotional plane, however, requires society, the craving for which was more satisfied under trench-conditions than by the conditions of so-called peace which have prevailed since. At present there is little or no chance of either individual success or the satisfaction of the folk emotion. The illuminated horizon of almost every person's life is continually being narrowed, while his mind knows that opportunity enlarges. In such circumstances he is available for exploitation by any person who can obtain, with the help of the Press, both his ear and his confidence, the German Hitler or the British National Government.

It is easy for the financially backed Hitlers and MacDonalds to convince the dissatisfied masses that they hold in their pockets, given office, the magic that will abolish the need for individualism, and will realise the community as a happy family. But all of these saviours of society betray in the simplest manner that the truth is not in them. Their call for sacrifice and more sacrifice, while it may whip up the stoical or masochistic feelings of their followers for exploitation, is a false call. It exhibits their total failure to understand—if they understand they have chosen the wrong side—the only vital clash in the present-day world, that between the expansiveness of real credit and the present system of financial credit with its inherent necessity for the contraction of real credit even when it considers expanding financial credit. The only Nationalist movement which shows signs of an appreciation of Social Credit is the Scottish, and to that extent the Scottish movement is politically and economically not merely national but universal. In all the other cases Nationalism represents not an advance but a flight from the new obligations, namely, to adjust financial to real credit. And the longing for a social expression in place of the now moribund individualist ambition is merely being exploited to avoid that new social obligation. The true method of satisfying the desire for a communal expression is the distribution of the Common Inheritance of real-credit, as yet unused because of the effete financial credit system. Let us beware of all substitute systems based on intensification of political control over the individual by and for the divine State. That State is not the citizens' mascot. It is the vision of financiers and their servants, who are exceedingly desirous, politically and philosophically, of moulding the future state to correspond exactly to the present distribution of credit power.

PAUL BANKS.

## The Films.

**Around the World in Eighty Minutes: New Gallery.**

On a recent holiday trip, Douglas Fairbanks took with him a cinematograph outfit and a camera man. According to some publicity matter I have received, "Doug has long felt that there are as many thrills and adventures to be found in the real world as in the make-believe of the screen." It is a pity that he did not make a few of them materialise. There have been many better travel films, even if they lacked the cachet attaching to a picture made by Mary Pickford's husband.

**Worth Seeing.**

Among current general releases I commend "Dirigible" and "Keepers of Youth." The first is a superb spectacle, with flying scenes equal to anything in "Wings," and although it is machine-made and somewhat lacking in real thrills, it is the very best type of machine-made picture. The photography is superb; the producers have been greatly helped by the co-operation of the United States Navy; and no one need worry overmuch over the banality of the plot. Jack Holt and Fay Wray are among the competent cast. "Keepers of Youth" I have already reviewed; it remains to add that I regard it as the best British picture made last year, and although that is not high praise in itself, in view of the mediocrity of the native productions of 1931, this really is a good picture.

**Frankenstein: Tivoli.**

After a surfeit of gangster films and pictures of newspaper life, producers are now trying to make our flesh creep. The defect of "Frankenstein" is that it largely fails to thrill; much of it is very good, and the photography is superb, but as a whole it is too much made to order, and what should be macabre is merely virtuosity. I am inclined to think that a better job could have been made of this picture if the direction had not been entrusted to a theatrical producer; James Whale brings too much of the grandly unconvincing, is based on the methods of musical comedy or not very well-produced grand opera. Far too much use is made of close-ups, and the rhythm is ragged; this might be improved by cutting, for which there is room, since the film takes about an hour and a half to show. But the best of "Frankenstein" is really very good, and it is regrettable that the atmosphere of the opening scene and the tenseness of the sequences showing the creation of the Monster do not set the note for the remainder. As the Monster, Boris Karloff is admirable; all the stages of development from the mere beginning of physical life to the dawn of consciousness are most skilfully suggested, and the whole of the impersonation is in keeping with the role. I was not greatly enamoured with Colin Clive's "Journey's End"; Mr. Clive must on occasion forget "Journey's End" and learn that the whole duty of an actor does not consist in being intense. Mae Clarke with pleasing as Elizabeth, but an actress with such talent as she displayed in "Waterloo Bridge" is largely wasted on so slender a part which does not call for much in the way of emotional playing. But with all its faults, "Frankenstein" is a film out of the ordinary run, and judicious pruning would make it better entertainment.

**This Week's Films.**

"Westfront, 1918" has proved such a sensational success, breaking every box-office record for this theatre, that I am informed it is being retained at the Academy for an indefinite season. A comparable success was recently scored at the Academy with "The Blue Express," and the popularity of two such uncommercial films again demonstrates how much the ordinary commercial managements have

still to learn of their business. At an early date, it is hoped to show "Kameradschaft," also made by Pabst, at the Academy.

"Money for Nothing," with Seymour Hicks, Edmund Gwenn, Donald Calthrop, and Betty Stockfeld, is at the Regal, together with "The Secret Witness." "The Road to Singapore" and "The Star Witness," both of which I have already reviewed, make up the programme at the Pavilion, which now has an orchestra for the first time since it "went talkie." Laurel and Hardy, in "Our Wife," and "These Charming People," with Cyril Maude, are being shown at the Stoll, and "The Rise of Helga" continues at the Empire, where I am told that a hundred thousand people paid over £10,000 to see it during the first week, while it has exceeded the takings of "Min and Bill" and "Trader Horn." Evidently this critic is in a very tiny minority. "The Yellow Passport," based on Michael Morton's "The Yellow Ticket," is being pre-released at the Capitol, and "Congress Dances" continues at the Marble Arch Pavilion.

DAVID OCKHAM.

## Music.

The *Radio Times* only splashes and slops out of one "gaffe" to go sprawling into another. Having evidently discovered the ineptitude of "the Broadcaster's" remarks about Busoni as composer, which appeared in the issue of January 8, and which would have been patronising impertinence had it been possible for any one as small as the "Broadcaster" to be impertinent to a genius and mind of Busoni's immense stature, it has in the following issue of January 15 followed this up with a fine article on Busoni by one of the very few people in this country whose knowledge of the latter entitles them to express any opinion of him whatsoever—the distinguished Cambridge professor and musicographer, E. J. Dent.

As "Broadcaster" can never be trusted to get his facts straight, I suggest to the B.B.C. that they stipulate that he check his statements by standard works of reference such as *Grove*, *The Dictionary of Modern Music and Musicians*, *Riemann*, and the *Cobbett Cyclopaedia of Chamber Music* for instance. These might prevent him floundering in *medias res* with such a statement apropos Busoni as "the *Organ of certain pianoforte versions of some of Bach's loveliest chorales.*" (My italics.) As, of course, everyone but the veriest ignoramus knows, what Busoni did was to transcribe for piano some of the Organ chorale preludes of Bach, which is quite different. Later, we are informed, his own music "is all but forgotten," by whom and where are of course not indicated. If the writer is referring to England the absurdity is particularly in evidence for as Busoni's work is to all intents and purposes unknown here, it is ipso facto, not possible for it to have been forgotten, either totally or even "all but." Here, as abroad, in Germany particularly and much more so, Busoni's work is held in intense admiration by a small but very cultured circle of serious musicians and music-lovers. As Mr. Newman remarked not so long ago *à propos* the admirers of Mahler—in each case the chorus is distinguished by intellectual eminence. In each case the chorus has little or no truck with those musical equivalents of the "Vogue"—*rue de la Paix* fashion business which constitutes the thing called "modern music." In each case the chorus does emphatically *not* regard art as a *soirée* amusement or pastime for modish snobs between eating and flaccidly libidinous erotic intrigue; nor does the chorus regard attendance at a week of Bach churned out by a human manola and hooted by a female choirboy, as the one

final proof of grace, but a passionate religious absorption and concentrated seriousness in the pursuit of the art—an attitude which distinguishes Busoni so pre-eminently from the great majority of musicians, as it does the wonderful circle of pupils and disciples he gathered round him.

But in the very same number in which appears Professor Dent's admirable article counteracting somewhat the effect of the "Broadcaster's" effort of the week before, the same writer indulges in an even huger ineptitude when he speaks of van Dieren of all people, as being indebted to Delius and being mentally closely akin to the latter! Which of these two great Masters would be the more amazed and amused at these statements it is impossible to say—van Dieren Master of pure line engraving, Delius Master of poetic rhapsody, so widely divergent in temperament and in psychological physiognomy! One wonders if the writer has ever seen a page of Delius and one of van Dieren side by side, or knows either well enough to realise their vast unlikeness, and if he hasn't why talk as though he had to those who don't know any better?

Wireless. B.B.C.

That fine artist Olga Haley made one of her far too rare B.B.C. appearances on Sunday January 10. Always an artist remarkable for style, intelligence, imagination and taste, her art and likewise her purely vocal technique have expanded and developed remarkably during the last few years. Miss Haley's singing of *Lieder* is as good now as any one could wish, and greatly superior in all respects to the much praised Alexandra Trianti, about whom we were treated to such journalistic hysteria a year or two ago—and Miss Haley is yet another instance in my opinion, of English audiences and critics being incapable of recognising a really fine and accomplished artist among their own people, while they noisily acclaim others who do not deserve to be mentioned in the same breath with her. In response to a stupid request Miss Haley sang her programme of *Lieder* which she usually and so often has sung in their original German, in English, and was slightly vocally discomfited by having to do so, and although the translations, she used were not the usual concert programme translation imbecilities yet the rather naive ingenuous sentiment of the poems of most of the classic *Lieder* sound ridiculous and inept in English which does not lend itself to that sort of thing so successfully and naturally as does German—a fact of which Miss Haley with her lively artistic imagination and keen insight was probably fully and sometimes uncomfortably aware.

Another pleasant surprise a few nights after, was Evelyn Scotney's really delightful singing of a charming mellifluous but not too glucose *aria* of Giordano from *Andrea Chenier* and the polonaise from *Mignon*. Miss Scotney has become a first rate singer with a delightful voice, a smooth most polished technique and delicious style, and if it were not an insult to her, bearing in mind the atrocious sort of vocal practitioner to whom the expression is usually applied by our Grub Street hacks, I should almost be tempted to say of her that Miss Scotney is a distinct acquisition to the ranks of native singers.

I have also just been listening to an effusion of one Carl Nielsen, called why I cannot imagine, "Aladdin" and therefore full of that very discoloured and excessively unlocal colour, which in the oiled and excessively unlocal colour, which in the simplicity of their hearts and the emptiness of their heads, is imagined to be "Oriental atmosphere" by those Occidental musicians who think that the Sun of the East rises in Messrs. Liberty and sets (with a messy plop) in that Kashmir which exists, happily, nowhere outside the Indian Love Lyrics of Amy Woodford Finden. The method begins and



ends with the endless repetition of one stupid rhythm and an imbecile invertebrate thematic fragment with a handful of augmented seconds sprinkled like those rare and stony currants in the baser sort of bun. What then is the difference between these disordered aural visions of oriental music evoked by the Carl Nielsens the Bantocks the Amy Woodford Findens and all the rest of them and the real thing? The difference between Elyse Lord and Etrushibara, between a young lady from Golder's Green or Chelsea in a *sari* and a high-caste Brahminee in the same garment, between theosophy and Vedānta, between Devonshire cream that comes from Devonshire and Devonshire cream that —doesn't.

KAIKHOSRU SORABJI.

## News Notes.

"CITY MID WEEK."—This is the name of a 16 pp. weekly which deals, in a light and chatty style, with things going on in and around the City. In the issue of January 13 (No. 6) the front page article is on "Waste at the Bank of England," the cost of the new building being estimated at £6,000,000, though "the Bank authorities do not propose to make any statement." The proprietors of this journal are The British International Press, Ltd., 102-5, Shoe-lane. The cost is 1d. Our suggestion concerning what ought to be said about the Bank is (a) to express its cost as "thirty million dollars" and (b) to describe it (1) as virtually a State within the State in a political sense; and (2) as, structurally, an assemblage of "accommodations" including storage and housing. Such description is antecedently justified by the nature of the disclosures made by an American journalist a year or two ago on the internal arrangements of the Bank of France's headquarters. He summed up by saying that within the premises it would be possible to house and provision a small community of employees for a considerable time in complete independence of markets outside, and under complete protection from war risks such as bombing and gas attacks by land or air. A short and comprehensive description of the Bank of England's premises would be to call them "Noah's Ark"—or perhaps "Norman's Ark"—a vessel built to float on the flood which God is going to send to punish extravagance. This flippant note is appropriate; for the whole procedure is a colossal spoof. It is like the case of Aesop's frog trying to swell itself to the size of an ox—a gold storage company assuming divine powers of governance.

SOCIAL CREDIT AND THE PRESS.—(1) The *Belfast News-Letter* of January 19 published a report of one-column length of an address by Mr. W. Adams in Belfast on "Credit Reform and the National Government." Nothing is said in the report about Social Credit, but it is useful in giving an excellent summary of the so-called remedies that are being publicly canvassed. Possibly there has been some editing. However, Mr. Adams is pretty well known in Belfast to be a strong advocate of Social Credit, and therefore the publicity given to his lecture will do good. (2) The *News Bulletin* of the Manchester Teachers' Association (N.U.T.) for January contains an article entitled "Brief Synopsis of the Douglas Social Credit Scheme," by Mr. T. C. Wrycroft, of Burfields, Chapel-en-le-Frith, who gives his address and invites enquiries from teachers interested. The synopsis is adequately done in the space allowed for it, and contains the three main principles of a sound financial system laid down by Major Douglas at the Conference at Swanwick some years ago. (3) A prominent un-Citizen of January 4, in which the writer emphasises the fact that Canada is practically self-supporting in terms of real credit, and says that the Government should not wait upon a revival of world-trade, but should set about exploiting Canada's own resources in the interests of the home population. He quotes in full the extract from the *South African Review* published by us recently in which the progress of Social Credit in Australia was pointed out and the nature of the Scheme outlined. (4) The *Southern Daily Echo* of January 15 gives a long report of a special meeting of Southampton business and professional men to hear an address on the Douglas Proposals delivered by Mr. G. F. Powell. The meeting was held at the offices of Messrs. Burnett and Sons, 38, Above Bar, Southampton, Mr. L. M. Burnett saying in his opening speech that he thought the proposals of Major Douglas well worthy of consideration. Mr. Powell appears to have delivered a racy but searching criticism of bank policy and its consequences. At the end

of the meeting it was resolved to inaugurate a movement "in consequence of the desire, widely expressed, which arose out of the recent visit of Major Douglas to the Rotary Club." And that's that. We keep "moving along there" without the advice of the police!

THE WORLD'S LOST PROPERTY OFFICE.—In the City article of the *Daily Herald* of January 12, passing reference is made to a body sitting in Geneva calling itself "The Unclaimed Wealth Utilisation Committee." This is a new one on us, and we'll buy the answer. At any rate the title is an apt description of any bank-directorate, whose main function is utilising secreted credit-reserves belonging to the public for consolidating the political supremacy of bankers.

## Pastiche.

TO CERES, ON GOING TO THE INCINERATORS.

Tell me not, Wheat, I am unkind,  
That from the granary  
Of thy chaste rest in quiet mind,  
I bear thee forth to die.

True, a new master now I face,  
The Banker holds the field,  
Whose stronger faith doth not embrace  
An increase in the yield.

Yet thy fertility is such  
As thou too shalt abhor;  
To-day a scanty crop is much,  
And half of it is more!

R. N.

## THE THIRTEENTH-PIG PROBLEM.

"I promised last week that I would deal with what Major Douglas calls his A + B Theorem. It's a little algebraical. The Major is rather fond of equations. They are, of course, useless, since the essence of an equation is that all the factors are static and strictly measurable, whereas the various Douglas equations team with dynamic and unmeasurable factors."—S. G. H., in *Everyman*, January 23.

## Reviews.

How to Make the British Railways Pay. By M. F. Farrar. (Pitman's. 3s. 6d.)

Railway Electrification and Traffic Problems. By Philip Burt. (Pitman's. 10s. 6d.)

The History and Economics of Transport. By Adam W. Kirkaldy and A. Dudley Evans. (Pitman's. 16s.)

Electric Train Lighting: Theory and Practice. By C. Coppock. (Pitman's. 7s. 6d.)

The four volumes named above are representative of the extent to which the firm of Pitman's has in recent years become publishers-in-chief to the British public in the specialised and highly important field of transportation. The thesis of Mr. Farrar's book, which has evoked considerable discussion in railway circles, is that it would pay our railways to abandon their existing complicated scale of charges, which is imposed on them by law, in favour of a simpler and more uniform system based on the weight of consignments rather than on the principle of charging as "what the traffic will bear." The author's method, as exemplified, for instance, in the case of coal, is to charge a mileage rate per ton, this rate diminishing with the distance, and to add a small extra to cover standing charges. It is of interest to note that since these proposals were put forward the London and North Eastern has launched an experiment on somewhat comparable lines, while it is believed that when rates and charges are next reviewed by the Railway Rates Tribunal, important modifications of the existing system may be considered. In that event, it is virtually certain that the working of the London and North Eastern experiment will be examined.

Mr. Philip Burt, whose recent death was a loss to the science of transportation, was a former deputy general manager of the old North Eastern Railway, which was among the first of the British main lines to adopt electric traction on a large scale. This volume has already become a recognised text book, and New Age readers should find special interest in the economics of the subject. Substantially, the question of whether it is desirable to electrify any section of railway, whether main line, branch, or suburban network, boils down to whether the expenditure will be justified; the problem is one of economics and not of engineering. A specially valuable feature of this book is that it can easily be grasped by the non-technical reader. The present edition of the magnum opus of Messrs. Kirkaldy

and Evans is the fifth, the first having been published in 1915. It can be recommended as one of the best and most comprehensive treatises of the kind in existence. Its comprehensiveness is indicated by the fact that the authors deal with railway, road, canal, ocean, and air transport. It is of interest that while the last-named now claims a special section, it was not thought necessary to deal with the subject in the first edition. "This here progress, it goes on." The scope and subject of Mr. Coppock's monograph are indicated by the title. It is a useful handbook on one of those important aspects of "passenger comfort" which the ordinary traveller is apt to take for granted.

## NOTICE OF MEETINGS.

Douglas Credit Association: Glasgow Movement.  
Syllabus of five lectures on the Douglas Credit Proposals to be given in the Christian Institute, Bothwell Street, Glasgow, on Tuesday evenings at 7.45 p.m.  
2. Feb. 2 "Distribution."  
3. Feb. 9 "Modern Banking and Finance."  
4. Feb. 16 "Financing Consumption."  
5. Feb. 23 "International Aspects of Foreign Trade" or "Can the Douglas Credit Proposals be put into Effect by One Nation Alone?"  
All interested invited. Questions. Collections.

## NOTICE.

An "Erdington Douglas Social Credit Group" was formed on Wednesday, the 20th inst. Interested readers, living in the vicinity, are invited to communicate with W. H. Hawkes, 54, Marsh-lane, Erdington, Birmingham.

## SOCIAL CREDIT IN AUSTRALIA.

Two points in the latest reports from Australia are specially worth recording. The first is that the Sydney Association have engaged the services of an elocutionist to train its members in public speaking. The second is the visit in December of Mr. Rhys to the Millions Club, where he gave a two-hour lecture. Our correspondent comments: "Mr. Rhys was in his element among business men at the Millions Club, and it was fascinating really to listen to his forceful statement that banks were factories—they made money—and they made debt."

## "FAR-FETCHED IDEAS."

[From the *Evening Standard* of January 21.]  
One finds many startling ideas in Mr. C. H. Douglas's "The Monopoly of Credit" (Chapman and Hall, 3s. 6d. net.) Author of the scheme which goes by his name, a witness before the Macmillan Committee (his evidence is re-produced, as an appendix to this book), Mr. Douglas, even in his former and better books than this, has never yet been able to get his difficult ideas across with the multitude. Genius in any line of literature often involves presentation of strange ideas, but Mr. Douglas's followers will be very much at the centre of his dogma is his theory of the true cost of a programme of production is in general not and a given programme of production can only be distributed to the buying public if sold at its true cost." In other words, it must be sold at less than its money cost! So much that Mr. Douglas writes on the true sources of national credit and on the errors of the banking policy of the country is sound that his book should be read. And it is worth while to try to understand his ideas about the real foundations and uses of credit, though they seem to me to be very far-fetched.

## LETTERS TO THE EDITOR.

"READING COURSE IN ECONOMICS."  
Sir.—The book of Wade's to which you refer is "Modern Finance and Industry," by A. S. Wade (Sir Isaac Pitman, 5s.), published in 1926.  
C. F. J. G.

"THE LAND UTILISATION SURVEY OF BRITAIN."  
Sir.—Your News Notes on the above (p. 138) prove very interesting reading, and, as you have said, it is difficult to follow what is at the bottom of the idea. In the ordinary course, this particular work would be undertaken by the

Ordnance Survey Department of the Ministry of Agriculture and Fisheries as well as by the Land Valuation Department of the Inland Revenue. As you have stated, the present scheme looks like a form of economy. It is probably being used as a preliminary survey for the Snowden Land Taxes, now suspended for the time being.

The Ordnance Survey is controlled by the Royal Engineers, under a Director General, who is himself a high officer in the R.Es. In the old days, a number of Survey Companies, R.Es., were employed surveying and revising the Government O.S. maps. There was considerable economy in this method of working as well as being good training for military purposes.

All Ordnance surveyors (R.Es. or civilians) carry a special "pass" giving them authority to enter private land, etc., for the purpose of their work. On their "pass" is printed a copy of the particular Act of Parliament which gives them this authority.

I well remember how, in the days of the Lloyd George Land Valuation Act of 1911, one day I found a perky little Cockney Sapper buzzing about my farm, putting a record of all my improvements on his blue-print map. I was in a towering rage, but before I could get a word out, he planked his "pass" under my nose. I caught him by the scruff of the neck and took him over to the shed where I kept the stud bull, opened the gate, and told him to show his "pass" to the bull. He made himself scarce in no time!

The whole of the work of the Land Utilisation Survey can be done on the sly. The majority of farmers don't mind strangers on their land, providing they are doing no malicious damage, and have the decency to close gates after them.

Personally, I have a deep-seated dislike to the whole scheme—it smells too much of the London School of Economics and the Morgan educational control to be truly British. The result of all this will probably be a series of volumes stuffed with statistics trying to prove why agriculture has declined and why the land should be nationalised or something of that kind. RICHARD HOLYOAKE.

## MATHEMATICS AND SOCIAL CREDIT.

Sir.—I am slightly perturbed at your references to mathematicians and economists, because they may raise some unfounded belief that a training in mathematics or the possession of a mathematical mind is necessary for the comprehension of Major Douglas's arguments. In the first place, mathematics is a term which may mean all sorts of things. Years ago I remember talking to a friend who was a very respectable mathematician. He was young, he had got the best mathematics degree at Cambridge, being a B\* Wrangler, and he had got what I fancy is the best University Prize for mathematics, being a Smith's Prizeman. He said that he had tried to understand Mr. Bertrand Russell (Earl Russell), who is a most eminent mathematician and logician, had been talking and writing about one branch of mathematics, and found it quite beyond him. Nor does a profound knowledge of mathematics and logic save the possessor from error. Mr. Russell delivered a lecture on the radio the other week, reprinted in *The Listener* for January 13, in which he produced a grievous collection of *non sequiturs* about the connection between over-production and world organization (e.g., p. 40, col. 1). Then, as a matter of fact, quite a number of well-known economists, e.g., Mr. Keynes, are competent mathematicians, and quite a proportion of those who take the Economics Tripos at Cambridge, take part of the Mathematics Tripos beforehand. There is a strong bias to mathematics among economists of this generation, and many books are stuffed with mathematical formulae without anybody being much the better for it.

The trouble is that, first, mathematics are no earthly use if they are based on false premises and false data; second, if the wrong mathematical calculations are applied to the right premises; third, if the conclusions a mathematician presents as true of his subject matter, e.g., the economic facts of the world, are incompatible with phenomena visible to any fairly observant eye. You cannot by mathematics get out of your real subject matter more than is there. It discovers truth, it does not make it. Then a great deal of mathematical formulae can be expressed in words: formulae are a species of shorthand, and those who cannot understand the shorthand, may very well understand the words. Mathematics, all said and done, is a tool. Sometimes it is an impediment, sometimes a help. One of Paraday's great advantages, for instance, was that he was no mathematician; one of Clerk-Maxwell's, that he was.

HILDERIC COUSENS.

Holly School, Sheringham.



**ACADEMY CINEMA, OXFORD STREET**

(Opposite Warings). Phone: Ger. 2981.

SECOND WEEK—

Exclusive Run Pabst's Tremendous German Sound Film  
"WESTFRONT 1918."

Should be seen by every true lover of the Screen.—"Daily Telegraph."

**TUBERCULOSIS**ITS TREATMENT AND CURE  
by Dr. ADRIEN SECHEHAYE.

(Translated from the French.)

No one interested in T.B. can afford to miss reading this book.  
Price, 5/- from Booksellers or Post Free from the Publishers,  
B. FRASER & Co., 62, Pepys Road, S.W.20.**THE "NEW AGE" CIGARETTE**

Premier grade Virginian tobacco filled by hand in cases made of the thinnest and purest paper, according to the specification described in this journal on January 23, 1930.

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

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

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

FIELDCOVITCH & Co., 72, Chancery Lane, W.C.2  
(Almost on the corner of Holborn and Chancery Lane).**The Social Credit Movement.**

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

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

**SUBSCRIPTION RATES.**

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

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

- BRENTON, ARTHUR.  
Social Credit in Summary. 1d.  
The Key to World Politics. 1d.  
Through Consumption to Prosperity. 2d.  
The Veil of Finance. 6d.  
C. G. M.  
The Nation's Credit. 4d.  
COLBOURNE, M.  
Unemployment or War. 12s. 6d. (Procured from New York to order.)  
DOUGLAS, C. H.  
Economic Democracy. 6s.  
Credit Power and Democracy. 7s. 6d.  
The Breakdown of the Employment System. 1d.  
The Control and Distribution of Production. 7s. 6d.  
Social Credit. 7s. 6d.  
The Monopoly of Credit. 3s. 6d.  
These Present Discontents: The Labour Party and Social Credit. 1s.  
The World After Washington. 6d.  
Social Credit Principles. 1d.  
Warning Democracy. 7s. 6d.  
DUNN, E. M.  
The New Economics. 4d.  
Social Credit Chart. 1d.  
H. M. M.  
An Outline of Social Credit. 6d.  
HATTERSLEY, C. MARSHALL.  
This Age of Plenty. 3s. 6d. and 6s.  
Men, Machines and Money. 4d.  
HICKLING, GEORGE. (Legion of Unemployed.)  
The Coming Crisis, 2d.  
POWELL, A. E.  
The Deadlock in Finance. 3s. 6d.  
The Flow Theory of Economics. 5s.  
TUKE, J. E.  
Outside Eldorado. 3d.  
YOUNG, W. ALLEN.  
Ordeal By Banking. 2s.  
W. W.  
More Purchasing Power. 25 for 6d.

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

- DARLING, J. F.  
Economic Unity of the Empire: Gold and Credit. 1s.  
The "Rex"—A New Money to Unify the Empire. 2s.  
HARGRAVE, JOHN.  
The Great Pyramid—An Analysis of the Political-Economic Structure of Society. (With diagram.) 1d.  
HEWART (LORD).  
The New Despotism. 21s.  
HORRABIN, J. F.  
The Plebs Atlas. 1s.  
An Outline of Economic Geography. 2s. 6d.  
MARTIN, P. W.  
The Flaw in the Price System. 4s. 6d.  
The Limited Market. 4s. 6d.  
SYMONS, W. T., and TAIT, F.  
The Just Price. 2d.

**Instructional Works on Finance and Economics.**

- BARKER, D. A.  
Cash and Credit. 3s.  
CLARKE, J. J.  
Outline of Central Government. 5s.

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

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