

THE NEW AGE

INCORPORATING "CREDIT POWER."

A WEEKLY REVIEW OF POLITICS, LITERATURE AND ART

No. 2067] NEW SERIES Vol. L. No. 25. THURSDAY, APRIL 21, 1932. [Registered at the G.P.O. as a Newspaper.] SEVENPENCE

CONTENTS.

	PAGE		PAGE
NOTES OF THE WEEK	289	MUSIC. By Kaikhosru Sorabji	297
Mr. Andrew Mellon, Mr. Bernard Baruch, and Disarmament.		Bach's Mass in B minor. (B.B.C. National Chorus.)	
SOCIAL CREDIT AND THE PUBLIC. (Editorial)	292	THE FILMS. By David Ockham	297
On the strategic aspect of public debating.		Alfred Hitchcock's opportunity. Wardour Street and the Public. "Horror" films.	
NEWS NOTES. (Editorial)	293	REFLECTIONS ON WELLS. By Phillip M'Devitt	298
INSURANCE COMPANIES AND THE BALANCED BUDGET. By John Grimm	294	<i>The Work, Wealth and Happiness of Mankind.</i>	
THEATRE NOTES. By John Shand	295	CORRESPONDENCE	299
<i>The Miracle.</i>		Ian Alastair Ross, A. H. M., W. Finlay, H. Warren.	

NOTES OF THE WEEK.

Mr. Andrew Mellon, the United States Banker-Ambassador, was feasted at the Pilgrims' Club on April 14. This club is a blood-relation of the Lotos Club in New York. Dr. Nicholas Murray Butler, President of the Lotos Club, is, so to speak, the traditional "fool of the family" who, it was said, always went into the Church. He travels on missions to convert the world to Disarmament while the rest of the family are preparing to convert the Disarmament into dollar-securities. The world may be his parish, as he believes, but his living is in the gift of Wall Street. Briefly, the Lotos Club takes on the preaching and the Pilgrims' Club takes up the collection. Against this background the appropriateness of Mr. Andrew Mellon's choice of this club as the scene of his first public appearance in London is self-evident. According to current financial reckoning, a world which cuts expenditure on armaments is better able to pay its debts; and, by the same token, it can be more easily forced to do so, or to accept its creditor's conditions for excusing it from doing so. The United States is the creditor, and it appears probable that insofar as the rights of this creditorship are embodied in one single person more than another, Mr. Andrew Mellon is that person. One of his biographers stated a few weeks ago that the war made him a billionaire. It may sound startling, but it is easily possible that he, as himself, could have the title deeds of the Bank of England locked up at this moment in his safe together with the controlling-balance of the Bank's stock. For the Bank of England is private property, as the Speaker of the House reminded Mr. Maxton when the latter's Bill to nationalise it was declared invalid by an official committee of experts. Be that as it may, Mr. Andrew Mellon represents the creditor-rights of the United States; and there is plenty of evidence to show that his policy is to offer debt-remission in exchange for disarmament. Many of the syndicated write-ups about him in the London Press adduced what they called his "out-

spoken," "courageous" reminders to his fellow citizens that poor old Europe was in a bad way—that Britain's fall from the gold standard had made her debt obligations so much more burdensome—and that therefore, the United States public must prepare to review the debt-problem in a lenient spirit. This was unanimously held out as a proof of Mr. Mellon's sentimental attachment to Britain and his just regard for her interests and those of her fellow-debtors in Europe and the Empire. Sheer bunk!

Mr. Mellon played up to the fairy tale at the Pilgrims' dinner. He said that the United States had watched Britain's heroic struggle with admiration; that in his opinion Britain had now turned the corner; and that the relations now existing between the two countries were never more friendly. The true import of these statements, in the mouth of Mr. Mellon, would have been expressed as follows:

Gentlemen,—The President of the Federal Reserve Board and myself both want the British people to know how greatly we have admired the efficient way in which the Governor of the Bank of England has fulfilled his honourable agreement with us to attach more revenue from the taxpayers and so strengthen the security on which our claims upon the British Treasury rest. It has added to our respect for the integrity of the British people to see how peaceably they have submitted to the operation. They have, so to speak, turned the corner of our previous apprehension, and now walk in the broad path of our confidence. Confidence, gentlemen, is the foundation of credit; and the British people by restoring our confidence have improved their credit in our eyes—and that improvement, gentlemen, is what is popularly called "prosperity." I am glad to assure them that the relations between the Federal Reserve Board and the Bank of England were never more friendly, and that they will now co-operate under the best auspices in reviewing the problem of debt-settlement and arriving at mutually satisfactory conditions under which the Federal Reserve Board will

feel it advisable to reduce or remit the debts due to the financial institutions of the United States.

The willingness of Mr. Mellon to put dollars into disarmament makes it appropriate that Sir John Simon, one of the directors of the disarmament factory at Geneva, should attend the dinner. Something seems to have made his attendance urgent too, for the papers report that he came from Geneva by air specially to be there, and returned by air immediately afterwards. One would have thought that, since no less a person than the Prince of Wales was present, this piece of extravagance to get Sir John there could have been cut out if only for the look of the thing in these days when "economy" is preached at us all. One Minister more or less would not have mattered in the circumstances. Probably it was staged as a piece of advertising. Another episode to be recorded was the presentation to Mr. Mellon at the dinner of the Statue of Liberty done in ice, torch and all—and a little light in the torch. Liberty with cold feet was a brainwave on somebody's part! However, Mr. Mellon was very pleased with the gift, so the papers say, and the pity is that in the hot air he talked she was probably reduced to a liquid asset during the proceedings. For he expressed views which, if they are to be regarded as the basis of contemplated financial policy, spell the retrogression of the world's peoples towards slavery. We get the impression, however, that he did not know what he was talking about, or was not particularly concerned to talk anything fresh, when he alluded to the technical aspect of the economic problem. For instance he dished up the theory of the mysterious trade cycles with its booms and slumps, its alternating current of hopes and fears which create to-day and destroy to-morrow in obedience to inscrutable forces. Any Mayor of a tenth-rate borough could recite that. Then again, he said that he did not believe in a short cut to prosperity, but at the same time did not believe there was anything fundamentally wrong with the economic system. That again can be picked out of any newspaper. He did make one remark of interest (but of no enlightenment) when he claimed that Capitalism, in spite of the regular periodical wrecking of its efforts, always emerged with a little extra saved from the wreck. Taking his speech as a whole he sounds more like a business operator than a classical theorist. Nor need he be more for the job he is here to do, which is driving a financial bargain within the system, not seeking to modify the system itself.

Mr. Mellon's arrival here is parallel to Sir Otto Niemeyer's arrival in Australia last year. He stands in the same relation to Mr. Montagu Norman, Governor of the Bank of England, as Sir Otto Niemeyer did (and does) to Sir Robert Gibson, Chairman of the Commonwealth Bank of Australia. Both the visitors want something done and both the central bankers want to help them get it. The fundamental object of their common policy is to preserve inviolate the doctrine that financial policy must be immune from political interference. The visit to Australia took place first in order of time because Mr. Lang challenged the doctrine first. The visit to Britain has taken place because Mr. Lang has stood by his challenge longer than was expected, and because, in the meantime, throughout Australia responsible public opinion is being rapidly taught to understand the moral, technical and pragmatic issues raised by the doctrine. It is of comparatively little consequence that Mr. Lang himself is not (or may not be) conscious of the full import of his gesture of financial default; the essential factor in the situation is that the longer the final and manifest defeat of Mr. Lang's policy is deferred the more will the undesirability of its defeat be appreciated by the thoughtful

elements in Australian politics. When Niemeyer called Australia to heel he sent Australia to school. And readers of this journal do not need telling what the ultimate result of the schooling will be if the Social Credit system of teaching is allowed to go on. Social Credit is the divinity that will shape Lang's ends, rough-hew them as he will: and precisely because Lang's "law" can be "fulfilled," Finance must hurry to destroy it. "What thou doest do quickly" applies as appropriately to Otto Niemeyer as it did to Judas Iscariot, that waste-hating holder of poor-relief funds.

Mellon is here because Norman is failing to fulfil the time-clause in his contract to smash Lang. Things must be speeded up. The digging of Lang's grave is still going on when, according to plan, he ought to have been buried in it months ago. Moreover, there is Biblical testimony to the danger of over-digging a pit for others and leaving it open. On the question of the delay, it is vital to remember that although the formal responsibility of defeating Mr. Lang lies with Britain, the practical consequences of her failure to do so hardly affect her, but fall on the United States as the residuary creditor of the world. Britain owes just so much as she is owed, and she is thus, for all practical purposes, as good as out of the game. As Lord Balfour would agree, if he were still with us, it is a point of high-financial punctilio, as distinct from moral or technical principles, that at present prevents Britain from assigning her claims on her European neighbours to the United States in settlement of her debt. Nevertheless, Uncle Sam remains the end-nepin of the row, and it is he who will come down with the ultimate and heaviest smack if Mr. Lang at the other end falls inwards. Many countries would be caught up one by one to form a gathering wave of default which would break in the end on Wall Street and flood out the old system of finance-capitalism.

Those of our readers who attended the meeting of the Industrial Christian Fellowship when Professor Gregory and Dr. Sprague came there to explain the crisis can judge for themselves, from their observation of the last named gentleman, how much use this American "advisor" to Mr. Norman would be if he had to handle a crisis. The situation is now so urgent that it calls for "principals only"—plenipotentiaries in immediate contact with each other. Hence Mr. Mellon. Dr. Sprague was only a transmitter—and transmission across the Atlantic takes more time than a conference in Threadneedle Street. It will be remembered that, on one occasion just before the fall of the Labour Government last autumn, members of the Cabinet were obliged to wait some hours in the garden at Downing Street while someone (probably Dr. Sprague) was obtaining advice from Wall Street. The fuss which some Labour Ministers have made, and rightly made, about this episode would, of itself, suggest the desirability, in the interests of American and British finance, that similar evidences of the trans-Atlantic influence on the domestic policy of Britain should not be allowed to appear again. American co-operation in putting British Socialists in their place is all very well; but American co-operation in putting British Protectionists in their place would want some getting away with. Hence Mr. Mellon. He need not consult anybody but himself, so his presence here assures the utmost swiftness and secrecy in the general-staff work of the financial dictators.

Happily there is a way for intelligent students to get round the secrecy in a general sense. If we adopt the starting hypothesis that Mr. Mellon has powers to commit America to any decisions he comes to in London without previous reference to

Wall Street, we may be certain that at least one or two high-financial potentates in New York are completely aware of the framework of reference in which he will test the *pros* and *cons* of any problem and arrive at his judgments. We may be equally certain that one of those potentates is Mr. Bernard Baruch. Now Mr. Baruch's dictatorship of the United States' production policy during the war has been described more than once in these pages. He afterwards described himself as the "Napoleon" of America. Not a single production programme could be undertaken, and not a pennyworth of credit lent to finance it, without the previous consent of this man. Now, just as he was virtually in effective control of America's domestic financial policy Mr. Mellon was in effective control of international financial policy. Their activities were contemporaneous, must have interlocked, and must have been mutually concerted. They must have consulted each other constantly, and therefore known each other intimately. They must have been as thick a pair of pals as were the Walrus and the Carpenter. There is no doubt that their mutual understanding has persisted since, and that to-day Barney knows exactly what Andrew is trying to do, and pretty closely how he will set about doing it. So, naturally, when Mr. Baruch opens his mouth our ears bend forward expectantly to get a line on Mr. Mellon. He has recently done so, and we are going to refer to his views in a minute.

But first we want to say a word or two more about both men. It is significant to observe that during the war Baruch was in the centre of the political limelight, while Mellon was nowhere on the stage. After the war they exchanged places. From 1921 to a few months ago Mellon was Secretary of the Treasury, while, as for Baruch, he faded out of public life soon after he returned from Versailles with President Wilson after the signing of the Peace Treaty. Now, the nature and extent of Mellon's war-time activities did not become publicly known until after he first took office under President Harding: and it may be suspected that Baruch has been engaged in activities which will not become publicly known until he again takes office—a contingency which his recent re-emergence from obscurity suggests is probably in contemplation. If such things as these took place in a thriller of the Wallace type the smart members of the audience would soon be nodding wisely to each other over the fact that these two characters were never seen together at the same time, and would agree on a common guess as to how the detective in the piece would solve the crime. The parallel may be true in one sense but misleading in another. For some reasons it might suit Baruch and Mellon to make alternate entries and exits in the course of a play; but it is equally tenable to suppose, not one play, but two—the alternation being between the two plays and leading parts, not between the two characters in one play. Thus: the War Play—Baruch: the Peace Play—Mellon. And then? Well, Mr. Baruch may be attending rehearsals, may he not? Let us see.

In *The Times* of April 15 (p. 13) its Washington Correspondent refers to an article contributed by Mr. Bernard Baruch, "one of the wealthiest and influential of Democrats," in the *Wall-street Magazine* (no title quoted). The correspondent sends a paraphrase of the article, in which the following passages occur:—

"Mr. Baruch is against a renewal of the moratorium, against cancellation, and *not at all afraid of default.*"

"He thinks it might be feasible for . . . payment to be taken in goods and services by agree-

ing to accept certain foreign commodities and some foreign currency.

"Of such commodities, non-perishable and non-competitive, as this country might need *acutely in time of emergency*, jute, tin, chrome, manganese, rubber, and possibly silver might be taken and stored 'off the market' for a long period, thus *erving national defence*; while the withdrawal of substantial amounts of these goods from the market might help to raise commodity prices." (Our italics.)

This is a pretty cool proposal. In principle it means that Britain and other debtor countries should meet their obligations by delivering armaments to the United States. It is Disarmament in another guise. It is like saying to a man who owes you £100: "I'll let you off £5 if you will make me a revolver so that I can hold you up for the other £95." For although it is compatible in practice with the retention of armaments by the debtor countries it tends to alter the military balance of power in favour of the United States. And it would be certain to do so if, at the same time as Britain were making materials for Mr. Baruch to "store off the market" for use in time of acute emergency, Mr. Mellon were imposing a policy of domestic retrenchment through Mr. Norman, the Treasury, and the Chancellor of the Exchequer, under the operation of which Britain would be prohibited from correspondingly increasing the manufacture of the same material for the same storage for the same use in her own acute emergency. The probability of this is nearly self-evident when the doctrine of economy is considered in conjunction with the pacifists' moral objections to armaments. It will not be overlooked that what the pacifists call the "burden" of armaments they prove to be such, according to their reasoning, precisely by reference to the fact that armaments are "stored off the market," i.e., they are costly pieces of plant that "do not produce anything"—do not earn revenue. From the point of view of the Social Credit analysis, the export of anything at all without compensatory imports is bad policy for any country at any time, but a balance of exports of military value is particularly foolish at the present time.

We are inclined to think that Mr. Baruch is putting these views out as propaganda for debating purposes rather than as proposals for official consideration. In any case, his acquiescence in the idea of accepting payment in goods, and his suggestion of the kind of goods, are a clever answer to Lord Hugh Cecil. When Lord Hugh wrote his letter to *The Times* advocating Britain's paying the United States in goods, many of our readers wondered whether he had got the idea from contact with Major Douglas's proposals to Mr. Lloyd George with Major Douglas's proposals to Mr. Lloyd George ten years ago, and whether he might not be in agreement with Major Douglas's proposed technical methods of fulfilling the settlement, notwithstanding that his letter omitted reference to them. It is no breach of the proprieties for us to mention that the doubt was resolved in a certain private correspondence, Lord Hugh Cecil stating in so many words that only the idea interested him, implying that the question of method was not of importance, or else not his business. So that was that. Coachwork and upholstery excellent—but no chassiss. That is your idealist all over and every time. Since Mr. Baruch had left politics, or was in process of fading out, at the time when Major Douglas made his proposals (September, 1922) we will excuse him for having overlooked the idea until now. The immediate thing, however, is his acceptance of the principle. The next thing is whether he would leave Britain free to adopt her own method of carrying it out. We suggest that Mr. Ramsay Macdonald digs the documents out of the archives and

goes round to see Mr. Baruch's friend and confidant. He could point out to Mr. Mellon that the responsible heads of Britain's war departments would not like the Baruch Plan as it stands in present circumstances, but would assent to some modification in it which safeguarded Britain against a relative consequential loss of military power. If Mr. Mellon should be able to assure Mr. MacDonald that Mr. Baruch had no desire for such a thing to happen, but simply a desire to assist in the solution of the debt-problem as such, then the required implementing of his Plan, as described in Major Douglas's correspondence, could be adopted. Readers familiar with the method will see that (a) postulating war risks, the British Government would now be able to duplicate the production programme necessitated by the schedule of goods requisitioned by the United States, and so "store off the market" the same quantity and kind of goods for herself as the United States wished to do. (More, if thought necessary.) But (b) directly the method was understood by the officials and industrialists of the two countries, the supposed war-risks would be seen to be non-existent. The schedule would be changed by mutual assent from war-stores to peace-stores—from "off-the-market" categories to "into-the-market" categories—from swords into lawn-mowers. The reason, as Mr. Gordon-Cumming observed in his recent pamphlet, is "quite easy to see when once you've seen it."

Social Credit and the Public.

As we remarked in the case of *Everyman* a few weeks ago the fashion of disputing Major Douglas's theorem before unprepared audiences has set in. Disputants on either side largely waste their time if their object is to convey enlightenment to the public on the question of the technical soundness of the theorem. And the more closely they contest points in the analysis the more remote from comprehensibility will the subject appear to the public. Of course writers who contribute criticisms should not be allowed to sneak by without challenge, but that is not to say that the form of the challenge need correspond to the form of the criticism. We were shown an article in some weekly local newspaper recently in which the writer took some figures out of one of Major Douglas's hypothetical illustrations given before the Macmillan Committee, and used them in such a way as to "prove" that Social Credit would cause inflation on the grand scale. Now, it would be an easy task for an old Social Credit hand to use the same figures in another way, or to show that their significance had been misunderstood by the critic; but the public would take next to no interest in the reply (it is doubtful if they troubled to study the attack) and even those who did—especially the more acute of them—would distrust the conclusiveness of a "victory" for either side. They would look upon it as nothing more than the winning or losing of one round in a long fight—a fight, moreover, on which they saw no reason to have a bet either way.

We pointed out, on the occasion already referred to, that critics of Social Credit plunge their readers into a bog of technicalities without troubling to tell them what practical and desirable issues depend on them. The strategy of the Social-Credit advocate should be to frame his reply so as to make good this omission. It is a hard saying, but there is a sense in which it would be worth his while losing a round if by doing so he got the public to bet on the fight. Some debaters cannot bear to appear to evade an issue, but they are only right insofar as the issue is worth meeting. If they think not they should let it alone, not by passing it over in silence, but by declining to chop logic about it. "I prefer not to answer," was the reply of Major

Douglas to one of Professor Gregory's questions before the Macmillan Committee; a reply which meant: "I do not propose to be led up that side alley." Some people will call this "running away," but it was really a case of following the true scent across the path of the red herring. The herring it was who ran!

In the article under discussion, the critic takes one of Major Douglas's hypothetical figures, £.100 (cost of production) and adds to it £.25 (representing consumer dividend) then takes off a discount of 25 per cent. (representing price-discount) and thereafter proceeds to calculate his way to the conclusion that after so many repetitions of this transaction (whatever it was) credits in circulation would be "inflated" so many times. Now, at a certain stage in a systematic course of study, it would be most useful for the tutor to unravel this arithmetic and impugn the assumptions underlying its processes: but to do so before the innocent readers of this local newspaper is to be led up a side alley. A good argument out of its proper sequence in a case is a bad argument for that case. We should, if we were replying to this critic, begin by telling him so. We should say:

"Whatever your intention is in bringing forward this line of argument, our intention in answering you is to arouse intelligent interest among the readers of this newspaper in the subject itself. Whether you are right or wrong, they are not interested in your sum; so we are not interested in checking your sum. If you intend to instruct the public, you are employing a useless method; and if you intend to instruct us, you are employing the wrong medium. The effect of what you are doing is to give the public the impression that the main issues of the subject are beyond their comprehension; and if we answered you in your own terms, we should deepen that impression. So we content ourselves with remarking of your arithmetical thesis that it is 'impressive, but irrelevant,' as the small boy said when he was walloped for something he hadn't done."

It is true that even careful, impartial readers of this reply might construe it as an attempt to cover up our inability to meet the argument. But such types of readers would be well aware how easy it is for debaters who care to descend to that sort of thing to construct ambiguous and irrelevant replies, or to affect to misunderstand the point of the challenge; so they would have to concede some moral credit to us for frankly declining to take it up. Further, they would have to recognise some measure of plausibility in the reason we gave, a measure that would be the greater if we chose to elaborate the reason.

For the rest, there is this to be said in favour of appearing to be stumped by an argument. We can rule out the opinions of the lazy-minded, because whoever made his point, and whatever point he made, would slip out of their memories in a few hours. It is the keen men, anxious to understand enough to be able to express views on public affairs, who matter. Now, one of two things. They will either suspend judgment until they have gone further into the subject; or they will hastily conclude from the attitude of the Social-Credit debater that the critic has found the snag in the Theorem. Or some will react one way and some the other. Leaving the first to go on studying (which suits both sides alike) let us consider the second. Now the Social-Credit ideas are getting round so fast that before long everyone who is accustomed to be regarded as a progressive thinker will consider it his duty to express an opinion on the subject. Favourable or hostile—it won't matter which so long as general curiosity is appeased with some show of competence. A good many "progressives" are sensing this already, and no doubt some of them have come across the article we are discussing. Now, supposing they construed our hypothetical reply as a retreat, they would adopt the argument which, as they supposed, had caused

it, and would commence to use it with more or less confidence whenever the subject came up. They would feel themselves equipped as propagandists against Social Credit, and would be tempted by the atmosphere of curiosity around them to show off their knowledge at every opportunity. *This suits our game.* We shall be waiting for them to come out with it. It will be seen that the incentive impelling them to take sides on the subject might never have been created if the original debate in the newspaper had ended in a draw, or in confusion—and it would have been one or the other if we had followed the scent of the red herring. If our reasoning is right, the lesson is for Social Credit supporters to debate the issues broadly if and when they do enter a debate in an ordinary newspaper. Fight on your own ground even if you appear to lose on the other fellow's.

The observation once made by a judge applies here: it was that in forming a private judgment as to the truth of a controverted proposition, where the direct evidence was beyond his grasp, he relied on collateral evidence. Direct evidence is no doubt necessary for conviction, but confidence and sympathy can often be inspired by collateral evidence alone. Thus the mathematics of the A + B Theorem are one thing, but the antecedent probability of its being right, the manner of its advocacy, the temper of its advocates—these collateral evidences are another and much more important thing, when the public are the jury. It is morally certain that a judge referred to above, were he to happen on a debate in a newspaper in which two people were going for each other hammer and tongs over such a matter as the arithmetical sum that we have been discussing, would write them both off as narrow pedants. The mere fact that the debate was being conducted in a public journal in a manner only proper to a technical journal, would discredit the sagacity of both debaters, and raise the presumption that what they were wrangling about was of little or no importance. That is exactly the impression that the bankers would wish to be made on all judicial minds when Social Credit is popularly discussed: and for that reason advocates of Social Credit should resist the temptation to participate on these lines. Too often have we heard people say: "Oh, this must be answered"—"That must be answered," without regard to whether the answers are in their nature popularly intelligible. The best procedure for any Social-Credit supporter to adopt in respect of "A + B" criticism is to guess as best he can what *general impression* it will give to the type of readers in question and construct some *general answer* to correct that impression.

It will be observed that we have not troubled to quote any passage from the criticism referred to. It is not necessary for our purpose. All variants of criticism against the A + B Theorem amount to saying that (a) there is no difference between "A" and "B" payments or (less frequently) that (b) there is a difference between some payments and others, but Major Douglas's line of differentiation is wrong. The "popular" reply to criticism "a" is to point out that it commits the critic to the position that there is enough money distributed to buy all the goods. The reply to criticism "b" is to point out that the critic admits a difference. On "a," the proper comment is to ask which position accords more closely with facts. Does the emptying of pockets empty shops? If not, the presumptive evidence is in favour of the Social Credit theorem. On "b," the proper comment is to accept the omission that some expenditure is not purchasing power, thank the critic for it and say that that is as far as one can usefully carry the case before a popular audience.

The public want a "story." That is why Christ spoke in parables. The Social Credit parable be-

gins with a man who filled a bucket at a well, and found it half empty when he got it home. The parable ends by saying that the bucket leaked. Critics of the parable fall into two classes: (a) those who say that the bucket did not leak, (b) those who say it didn't leak so fast as to half-empty the bucket.

News Notes.

Agrarian Trouble in Jutland.

Slesvig farmers are demonstrating against the forced sale of farms to liquidate loans. Recently two hundred small holders occupied and barricaded one farm marked down for sale and refused to let the new proprietor take possession. The chief constable at Tender (South Jutland) has had to send fifty policemen into the district. The farmers demand a moratorium, failing which they threaten to resist the authorities. (Copenhagen cable to the *Manchester Guardian* of April 5.)

Australian Affairs.

In New South Wales the Labour Party is enlisting recruits to form a national guard. There has been trouble about the honouring of the State's cheques, and arrangements are being made to distribute payments to individual servants through their own organisations, e.g., to teachers through the Teachers' Union, and so on. A copy of the Labour Daily (Sydney) is to hand containing a speech in the House by Mr. Lang (about six weeks ago) in which he showed how the other State Premiers had, some twelve months previously, refused to follow his lead in the expectation of being able to balance their Budgets otherwise, and to-day were face to face with deficits on the one hand, and on the other with a point-blank refusal by Mr. Bruce to help them except on condition that they gave the screw of retrenchment and taxation in the other States another turn. They were faced with the alternatives of external default and internal disorder. The whole tenor of his defence of his policy was to show that the other Premiers were being driven towards having to follow his example. He drew a parallel from the American Civil War, saying that whereas the policy there was to make the Slave States adopt the high-wage policy of the northern States (to prevent unfair competition), the civil war boiling up in Australia was a conspiracy to impose on New South Wales the low-wage policy practiced by the other States.

Ban on Police Federation.

Sir Herbert Samuel has passed a regulation that the Federation shall cease holding open meetings of its branches until further notice. The reason given is that at such meetings the topic of wage-cuts and economy invariably comes up to the exclusion of all else. The *Police Gazette* criticises the regulation as a short-sighted move. It is probable, however, that the extensive private recruiting of university and other citizens has provided the Home Office with virtually a duplicate staff of police, or at least a flying-squad of strike-breakers. So the police will find themselves as promptly disciplined as were the Post Office sorters if they go in for "withdrawing goodwill." It stands to reason that in view of the startling rise in the crime-curve disclosed last week, Sir Herbert Samuel would not provoke police resentment unless he knew he could repress police-unrest.

The Annuities?—Or the Oath?

"For the time being the problem of the Land Annuities has been relegated to the background by the more urgent issue of the Oath. Nevertheless this problem may prove to be the more difficult of the two."—*The Times*, April 13. Exactly what we said in the "Notes" of last week (in print on April 11).

The Auckland Riots.

A feature of the recent riots in Auckland was the concentration of the rioters on the luxury shops—leaving the food-shops practically unscathed. Plate glass to the value of £7,000 was smashed on a single day; and the last estimate of total probable damage published was nearly £250,000. The significance of the outbreak is emphasised by the high standard of orderliness exhibited by the New Zealander in normal circumstances. A sidelight on financial mentality is afforded by the behaviour of the insurance companies. Rates for insuring plate glass have been put up 50 per cent., while those covering riot and fire risks have been multiplied by ten. Insurance companies' reserves are usually held out to be savings to meet emergencies, but when emergencies come they are made an excuse to protect the savings.

Insurance Companies and the Balanced Budget.

By John Grimm.

At a social function the other evening one of the number invited arrived late. On my remarking about this someone said: "Oh, he is late everywhere just now: he is employed in the . . . (naming an important insurance company) and there is such a congestion of work dealing with surrendered and lapsed policies that they have to work overtime every night." I recalled a remark in this journal of a few weeks previously about the Budget, namely, that in a real sense the balancing of the National Budget by the unbalancing of personal budgets was a fraud. I recalled also the more recent hat-waving by the London Press about the Chancellor's "surplus," and, more recently still, the preparations made by teachers, brewers and others to put in for first bite at this surplus. If these optimists will only pull themselves together and reflect for a moment on the meaning of the episode I have related, perhaps they will understand why it is that the *Times*—which is virtually the Treasury's official gazette—is gently but firmly warning them not to be too expectant.

National revenue derived from lapsed policies means revenue lost to insurance companies. National revenue derived from the proceeds received by holders of policies upon surrender means the same thing, and means also the transfer of insurance companies' contingent liabilities to the State. For John Smith's coffin has to be provided, and his dependents kept, at somebody's expense; and if the somebody is not the insurance company, then it is either his relatives or else the "Parish." Other things equal, it is reasonable to make the general assumption that the less able John Smith is to pay for insurance the poorer his relatives will be; and if so, it is a fair statement to say that the premiums he ceases to pay have to be provided out of the rates and taxes. Upon analysis the general process is seen to be that of unloading the liability of "bad lives" onto the community—that of imposing on taxpayers the responsibility of underwriting their worst risks themselves. British citizens cannot even amuse themselves with the joke that they are making a living by taking in each other's premiums!

Again, another fair assumption is that the greater John Smith's financial difficulties the shorter his expectation of life. Anxiety may do it gradually, or desperation suddenly. John may get fed up with expecting anything of life and put an end to the expectation by taking his life. Obviously in such circumstances insurance companies are well quit of John's business. Natural death, yes; but suicide—no fear! Normal accidents, certainly; but bankers' air raids—well, what do you take them for? War risks are a fiscal liability!

The insurance companies have also contributed towards balancing the Budget in other directions than by paying out surrender-values to poor people. They have lent money to policy-holders. The sums so lent are likely to have been very large, and will probably earn for the companies a larger collective annual sum for interest than the collective annual premiums which they have ceased to receive on account of the lapses and surrenders referred to. At least their revenue will be pretty much the same as it was before, while on the other hand the contingent liabilities represented by it will be lighter because of the elimination of risky business as described. It is interesting to note, that theoretically this elimination of bad business can itself bring good business. For a "dis-insured" person, when he is virtually re-insured by the taxpayers, is a new contingent liability, resting to some given proportion of the amount, on

those taxpayers who are subject to death duties. The latter section of taxpayers, being liable to pay those duties in a lump sum of money when death occurs, have to insure against the event, and to the amount payable to the Treasury. The amount is not fixed, as they are only too well aware; for the death duties have been rising continuously, and may yet be further increased. If so, the insurance will have to be increased to cover the additional liability. So it can be seen that when John Smith stops paying instalments in advance for his coffin he can set up a process which forces some landed proprietor to take up the payments (or a proportion of them) where he leaves off. This reasoning gains strength from the fact that insurance companies, as an integral part of the banking system, are in virtual control of the Government's fiscal policy, and can decide with the utmost exactitude in what proportions the various classes of taxpayers shall underwrite the contingent charges of John Smith's undertaker.

Readers will appreciate the significance of Sir George May's having had such a lot to do with Government financial policy. They will remember how, during the war, as President of the Prudential, he obliged Mr. McKenna, as Chancellor of the Exchequer, with the loan of several millions' worth of United States securities wherewith to meet a Wall Street ultimatum: "No cash, no munitions—and no pardoned sentiment." It is curious to reflect, parenthetically, that if previously Sir George had invested the money of British policy holders in British industries perhaps we should not have been so dependent on Uncle Sam's munitions as we were, and might have avoided a good deal of the trouble that has overtaken Britain and Europe as a result of the American debt.

The next entry of Sir George May into political prominence was after he had vacated his Presidency of the Prudential. Some months ago I was in conversation with a gentleman, a stranger to me, who rather unnecessarily tried to impress me with the fact that Cabinet Ministers do not decide surprised by my sincere interest and simulated surprise he proceeded to tell me about a great friend of his who is an official of some sort at the House, and who had once said to him: "You know, my boy, it doesn't matter which party wins an election: they all have to come to us to know what to do." Then he began to gossip about the "crisis" and told me in illustration of his friend's remark, that the Labour Government had nothing to do with the appointment of its members. Sir George May, he said, carried the whole scheme out himself. It will be remembered that it was this Committee which started the scare which culminated in the political *coup d'état* of last autumn and the subsequent revolution in our fundamental fiscal principles. There is little doubt that the swarm of Protectionists which emerged from the election rather disconcerted Sir George May, and this is borne out by his appointment on the super-Governmental Tariff Commission where he will be able to provide a Free-Trade check to Protectionist exuberance without offending democratic proprieties. Insofar as my friend's story of the May Committee is credible, so is the suggestion that the conception and manning of the Tariff Commission were the product of Sir George's wit and work. It could appropriately be called the May Tariff Commission.

The war episode in which he was concerned is of added interest because it provides an instance where a private financial concern had the legal power to prevent the importation of munitions at a critical moment. Mr. McKenna said to Sir George May: "May I have those securities?" and Sir George May said: "Yes, you may." And though it is not recorded, one may be quite sure that the conditions of

the transfer were laid down by the President of the Prudential. And now that this gentleman has risen from his commercial to his political post, and instead of controlling a particular insurance company controls the policy of all, he is worth watching only a degree less intently than is Mr. Montagu Norman. The two of them together with Mr. Andrew Mellon are a compact, powerful, and—in the judgment of many of us—a sinister combination.

Theatre Notes.

By John Shand.

Mr. Cochran has enabled Mr. Reinhardt to reproduce in the Lyceum Theatre the spectacular show called "The Miracle," which in the Christmas of 1911 they first presented to an English audience in the circus ring of the Olympia. That pre-war pageant is spoken of by those who never saw it as a landmark in stage history, and so forth. I have looked at *The Times* for 1911. In the first paragraph of his review the critic remarked that fine spectacle at it was, the Olympia show was neither so novel in its kind nor so magnificent in its degree as to cause uncritical stupefaction; and that the grand shows produced by Louis N. Parker and others provided a good standard with which to compare this German director's work. So there was at least one journalist with the sense of proportion, though I suppose the majority commandeered all the clichés, as they do to-day, to describe their artificial excitement. The Olympia production was not at first, I believe, a great draw until Guy Thorne, a popular novelist who could write with his tongue in his cheek as well as any man, thought it would be profitable to start a row about "The Miracle" being flat Popery as ever was committed, and how long was Protestant England to allow such insidious propaganda to pollute the circus ring? Thereafter the management had to engage an assistant in the box-office. I do not think Mr. Cochran need start that controversy again—though I freely offer the notion to Mr. James Douglas for a Sunday explosion—because the Lyceum seems to be packed from its fifteen shilling stalls to its two bob gallery. But of course Mr. Cochran is taking precautions: the proceeds of the second night were given to a charity. And there has been a spate of articles, interviews, and paragraphs during the week.

Well, what have the showmen been up to this time? As one enters the foyer of the Lyceum one's sense of smell is attacked with the fumes of church incense. An organ fills the auditorium with sound. The curtain is up, and in an appropriately dim religious light the illusion of a cathedral is almost perfect. The huge stage seems to disappear into "the and immense walls and pillars disappear into the flies" to give a feeling of height. Stained glass windows, lit behind, and cunningly placed, give the impression that distant parts of the cathedral are somewhere in Covent Garden, and, with the flames of devotional candles and holy lamps, give that vital glow of colour which gives the shadows the depth of velvet. Not content with this fine background, which is one of the best "realistic" sets I have seen, the showmen have invaded the auditorium with the scenery. There is a false proscenium with stained glass windows. Imitation stone-work covers the side walls to where the dress circle meets them, and goes as high as the ceiling. Steps bring the stage over the orchestra down to the stalls and the orchestra-well is used to suggest the entrance to the crypt. This "exterior" cathedral of S.S.

Cochran and Reinhardt is certainly an excellent example of the neo-plastercene period. I think it is a little childish and rather vulgar, but I can congratulate Professor Strnad, who designed it, and the workmen, who built it, without irony. Just in order to keep a sense of proportion, however, I remind myself of the late Charles Rickett's setting for the cathedral scene in Shaw's "Saint Joan." At the cost of a few pounds and a little imagination it was even more successful in inducing that "willing suspension of disbelief" which Coleridge asserted was the basis of illusion in the theatre. That part of the Lyceum scenery which is on the audience-side of the proscenium positively challenges you to remember you are in a theatre.

The pageant begins. A heavy bell begins to toll. Nuns chant behind the convent grille, which you remember was once the stage box. An old verger, with his rosary clanking against the lantern he carries, comes from behind the pulpit. Worshippers kneel, bow, light candles. And so on. All this attempt to get "atmosphere" goes on far too long in my opinion, because the scenery has already done the job. It is perfectly good theatrical hocus-pocus, what the Americans call show-bunk, but Mr. Reinhardt is overdoing it in a thoroughly Teutonic fashion. A procession of nuns appears. Miss Tilly Losch, dressed in virginal white, takes the vows, puts on nun's veiling, and becomes the youngest and prettiest sister in the convent. A screen is removed and there, in a niche illuminated by dimmed lime-light, stands Miss Diana Manners dressed as a statue of the Virgin. For the next forty minutes Miss Manners, who is an actress I have not seen before, gives a most creditable imitation of the immobility of stone. She is supported, of course, by the stiff robes which are built round her; and the lovely pose of her arms, in which she lightly holds the figure of the Child, is helped by invisible rests. Nevertheless, her stillness would be praiseworthy in a professional artists' model; and as her features have been finely modelled by nature's chisel, she makes a Madonna who would adorn any cathedral.

During this forty minutes of immobility on the part of this living statue occurs the luxurious presentation of a feast-day service. The stage is filled with light and sound and movement. Hosts of costumed nobles, priests and people hear Mr. Henry Vibart, as the Archbishop, intone the Litany, and they bow each time the altar-bell tinkles when the Host is up-raised. Father Woodlock, S.J., has given the show objection to the sacred ceremonies of his church being used to decorate a showman's holiday it is not for me, unattached to any creed, to object. As the crowd become hysterical with religious fervour, a cripple (well acted by Glen Byam Shaw), is miraculously cured. This is a fine piece of stage-craft. In the midst of all this distraction of scenery and supers, Mr. Reinhardt concentrates one's whole attention on the cripple. The concentration of every eye and voice on the stage creates the focus and at the same time seems to lift the cripple from his stretcher to the foot of the statue. The Cathedral then empties and the story in mime and ballet begins. The pretty nun is seen by a spielmann or devil (Mr. Leonide Massine), who has entered the holy edifice without sizzling or showing any proper sign of being in the wrong place. He casts a spell over her and over a young knight. In a very cleverly mimed scene she at length gives in to temptation and leaves the cathedral with the knight, dropping her nun's garbments by the statue, which has now come to life and is pointing to the door, as if encouraging the girl to break her vow. The statue then puts on the discarded garments and takes up the duties of the novice. When the nuns go to whip her for allowing the statue to be stolen she floats out of reach.

Thereafter they treat this evidently inspired novice with the respect due to one who can close the great west door merely by stretching out her hands.

There follows, in six episodes, making the main portion of the show, the pageant of the bad nun's voyage through pagan seas of lust and debauchery and murder. These scenes are all given a vivid life by the powerful and (to me) slightly repulsive art of Massine, whose lithe, leaping form invests the fiend with all the deformity of evil, and whose personality, it seems to me, pervades the whole pageant with a strange power. In dance and mime he clearly pictures, an inhuman, coldly vicious Mephistopheles. His rhythm is harmoniously jerky, like a marionette. He creates a pattern of stunted movement that is quite horribly perfect what time he clearly gives satanic illustration to the wordless scenes in which the spielmann causes the death of all the nun's lovers. All these episodes, by the way, are presented with the utmost elaboration of scenic effect, accompanied by the rather mediocre music of Humperdinck and others; and the nun's progress from the knight to robber count, from prince's bed to king's throne, is dressed to give full advantage to the world, the flesh and the devil. The coronation scene, for example, is a magnificent spectacle and is given dramatic significance by cunning production. But I am really astonished that, so far as I know, no one has protested against the incident in the Inquisition scene where the nun is condemned to be crucified as a witch. An excited crowd hide victim and executioner from sight, but the sound of hammer on iron suggests the nailing on of the body. Somewhat sadistic entertainment? Then the half-clothed woman is lifted to view, fastened to a cross, while the soldiers dice beneath her. Well, I suppose blasphemy

The fiend releases the woman, and so she arrives back at the cathedral door, to fall exhausted in the snow with a chee-yild in her arms in the traditional manner of melodrama. The Madonna calls her in, makes her resume the nun's garments, and herself returns to the niche. I must say that Miss Manners is quite as lovely as a walking nun as a petrified statue. Given her beauty and disciplined movement, it is a simple part. In the old days it would have been looked on as a utility part for a pretty lady. But I give her full marks. "Such grace coupled with such dignity! I adored her from that moment," as Mr. Crummles said describing his first view of Mrs. Crummles standing upside down on the butt end of a spear surrounded with blazing fireworks.

There is rejoicing when the nuns find that the statue has come back. The erring sister, still in the tradition of melodrama, falls dead, and as she lies on the floor the electricians provide here with a halo. This scene, like the first one, goes on too long, but Miss Losch mimes it admirably. The curtain descends on the dimly illuminated statue, whom one guesses to be filled with well-concealed satisfaction in having hoodwinked a whole convent for so many years. Her reason for having troubled herself to hide the sin of this young novice who had hardly taken her vow before she ran away? Ah! That is the very weak spot in the whole business. The only reason I can suggest for her conduct is that pointing finger I mentioned in the first scene, which implied that the Virgin was actually pushing the girl into the devil's hands—an implication which, again, seems to me distinctly sacrilegious.

But then the whole tone, the spirit, the atmosphere of this pseudo-religious pageant exactly and precisely inverts, perverts, stands on its head, the very simple, moving, moral legend which was the original quarry dug in by Karl Vollmoeller for the machinery of his pageant. As everybody appears to have forgotten this monkish tale of the four-

teenth century, I should like to remind a few people that it is extant and is to be found in "Caesarii cisterciensis monachi in Heisterbacho, Dialogues miraculorum," where in *Distinctio septima, Cap. 35*, the brief and beautiful story of the Virgin's miraculous intervention is given. (The staff of the *Universse*, the *Tablet*, and other Roman Catholic journals please note.) This legend was translated by Mr. Laurence Housman and Mr. L. Symons into English and published privately in 1902, and from this version I quote. The unknown author naturally made clear at once why the Virgin should take especial interest in the nun, who was "courtly and fine in her bearing, but neither lazy nor slothful. Ever was she quick to do her work: ringing the bell for church, making ready the ornaments and lights and causing the whole convent to rise in time." After some years of this model behaviour, she finds she is in love with a young man whom she had known since childhood. After much prayer and fasting she confesses frankly to the Virgin that this passion is overmastering her. "My mind would give way altogether were I to remain any longer in this habit." So, praying for forgiveness, she flies with her lover. They marry, have two children, and live happily until dire poverty causes the man to desert her. So she becomes a strumpet in order to get bread for her children. She loathes the life. But just as she had never forgotten in her joy, so she remembers in her sorrow to call upon the Virgin, praying daily to be set free from those acts of sin with which she is laden. Ill and destitute she returns to the convent and speaks of a nun who ran away fourteen years past. They ask her what madness or slander she is repeating? No one has ever left the convent, and the nun she speaks of, diligent in duty and charity, is the most beloved sister of them all. Then in a vision the Virgin tells the erring woman how her place has been filled; that she is to enter the cathedral; that she must resume the garments which she will find where she left them; that her sins are forgiven her. Thus she returns to her duties, no one on earth being the wiser, and dies full of good works after doing proper penance in the labours of her church. Not ending, you will observe, easily and with theatrical pomp and circumstance immediately on her return to sanctity, like a courtesan dying of fifth-act consumption in a *drame*, of Dumas fils. Not having left her value to a lover, either, before she had shown her value to the church and to heaven. And, having broken her vows—not to go through lurid adventures amid medieval "high society" in company with Mephistopheles, but for marriage and later for the sad pleasures of prostitution for her children's bread—never forgetting to confess her sins to the Virgin. Having, in fact, as a nun and as a sinner, constantly given the Virgin powerful reasons for her intervention. And, of course, the period of her life in the world is only briefly touched on, for it would not be seemly to describe it.

In a postscript, the medieval author writes that now the nun has returned to the fold and the Virgin to heaven, he has not forgotten the two children who are now motherless as well as destitute; and he tells how they were looked after by the mercy of God and the benevolence of the Church. . . . I hope I have summarised this exquisite legend with enough clarity to illustrate how our twentieth-century showmen have very literally played the devil with that old monk's story. Will Father Woodlock, S.J., who pointed out in a sermon to his Mayfair congregation last Sunday that the critics had not underlined the religious value and moral beauty of the Lyceum pageant, agree with me, I wonder? Mr. Cochran, of course, being an honest showman, has never pretended that his pageant was anything more than a good spectacle. And a brilliant spectacle he and the artists he has engaged have made of it.

Music.

B.B.C. The B minor Mass.

The National Chorus (a B.B.C. body) which took part in the performance of the sublime Mass in B minor, is, in comparison with the other choral bodies known to London audiences definitely inferior, by no means up to the standard of the Royal Choral Society and therefore, it goes without saying, far inferior to the fine Philharmonic Choir. Here, incidentally is another instance of that stupidly obnoxious attitude of the B.B.C. in preferring an inferior organisation of its own to making use of an already existing and admirable body like the Philharmonic Choir, which has for years been struggling most courageously with cruelly hostile and adverse conditions, conditions notoriously aggravated by the advent into the field of the B.B.C. with the terrific bludgeoning power of its stupendous resources, which is rapidly making things impossible for any musical organisation outside it. It is really time musicians began to sit up and take notice, and organise themselves with sufficient efficiency to resist the octopus-tentacles of this monster if they wish to preserve any existence other than one merely on sufferance, of the powers that be in the B.B.C. The nucleus of such an organisation exists in the Incorporated Society of Musicians and the Musicians' Union. But whether either or both of these bodies will awaken to the danger that awaits music and musicians at the hands of an enemy very literally within the gates before it is too late is I am afraid, to those of us who know a little of musicians and organisations thereof only too problematic. The Incorporated Society of Musicians has had its attention successfully diverted to a far less vital and important matter, the entry of foreign artists into the country at the present time, thus enabling the B.B.C. quietly to proceed with the work of getting the entire music and all the musicians in the country into its hands and crushing all opposition from without: indeed in this respect the anti-foreigner cry must have been a perfect Godsend as a red herring.

The National Chorus with whose name I started these remarks is an ill balanced third-rate body consisting of vocal material which seemed to me far inferior to the bodies I have already mentioned—the sopranos seemed especially weak on this occasion for not once did they attack their high notes cleanly nor anything like dead on pitch. The usual —to me—puzzling anomalies in the treatment of the *continuo* which has become apparently *de rigueur* during the last few years, were present on this occasion. A *continuo* is a figured bass: why when played on the harpsichord (inaudible beyond ten paces) it should be treated as such, and not when played on the organ when it was treated as a bass or pedal part *only*, I cannot for the life of me see. To play it on a harpsichord (a small weak-voiced specimen at that) in a big hall seems frankly absurd, while to play *only* the bass, when it is played on the organ seems to me of a piece with that utterly wrong-headed puristic pedantry that makes pianists who know no better, fancy themselves so tremendously when playing only the actually written notes of a harpsichord work upon the piano.

The performance was uninspiring and had it been possible for the ineffable and glorious work to be made to sound actually dull, the efforts of Dr. Adrian Boult would have achieved this perverse miracle, but such is the transcendent splendour and greatness of the work that even he seemed here and there to be caught up in the apocalyptic grandeur of it all, particularly in the final chorus *Dona nobis pacem* in which the unduly dragged *tempo* he adopted elsewhere, was not out of place, and which was quite impressive. Over the soloists I would rather draw a veil: with

the exception of Mr. Keith Falkner not one of them had the beginnings of the glimmering of a notion of what was wanted, let alone the root of the matter. Mr. Keith Falkner's fine voice and noble style though not—doubtless due to the depression induced by singing with such coadjutors—sounding to such splendid effect as when I heard him last in the Beethoven Mass gave one a lively and pleasurable anticipation of what this admirable singer could accomplish, given happier circumstances. And it is worthy of more than passing mention that passages which no less a person than Friedrich Schorr has to cut up, being too short winded to take them in a breath as they are intended to be taken, were sung by Mr. Falkner unbroken with an easy striding grasp that was a joy to hear, and that did not leave one with the feeling that the singer was completely winded by his efforts, as is so often the case with the weaker vessels.

The alterations in the score (based on the researches of that great Bach scholar Professor Tovey) which were now for the first time embodied in a public performance seemed an unquestionable gain, particularly the substitution of a flute for the usual violin in the *Benedictus* where the expressive and linear beauty of the obbligato acquired thereby a new and fuller significance. KAIKHOSRU SORABJI.

The Films.

Alfred Hitchcock's Great Opportunity.

To the accompaniment of considerable journalistic applause, Alfred Hitchcock has been appointed production chief of the British International studios, where he will apparently fulfil much the same functions as are exercised by Erich Pommer at the Ufa *ateliers*, and by Irving Thalberg for the Metro-Goldwyn-Mayer organisation. Mr. Hitchcock's immediate work will be the supervision of half a dozen films now in hand, but presumably the policy of supervision will not cease when these pictures have been made. Elstree has long been in need of a competent Lord High Producer, and everyone who deplores the existing low level of the native screen will wish luck to the director of "Murder." Mr. Hitchcock is not a great director, but his pictures, both silent and talking, show him to have the cinematic mind. He also possesses the invaluable characteristic of not being satisfied to travel in a rut, but prefers to evolve new methods and to experiment in technique. So that, on the basis of the native material available, British International have made a good choice.

But unless he is given a perfectly free hand—and even if he is—Mr. Hitchcock will find his task colossal. He will have to overcome Elstree's besetting sins of complacency; of smug self-satisfaction with its artless productions (artless in both senses of the word); of its neglect of native talent, whether on the part of actors, actresses, writers, or directors; of its haphazard casting methods, which embrace of its haphazard casting methods, which embrace miscasting, over-working of the roles for which they regard to the suitability of the roles for which they are selected, and the dropping for no reason of actors and actresses who have proved their fitness for the screen. Above all, Mr. Hitchcock will have to dynamite into the skulls of our Celluloid Mandarins the idea that the crying need of the British screen is that it should encourage originality—both inside and outside the British, and infuse a show us Britain and the British, and infuse a national character into our films. If Mr. Hitchcock can do even a quarter of these things, and it would take several Supermen to do them all, I shall be the first to take off my hat to him.

Wardour Street and the Public.

It is good news that Universal Pictures, who also sponsored "Le Million" in this country, are now

sending "A Nous la Liberté" on tour. According to some members of the film industry, a picture that attracts West End audiences is often not a box-office success in the provinces, and this doctrine is on occasion made the excuse for not booking good films. I do not presume to offer any opinion on the subject—although I may be allowed to place on record that audiences in Scotland and the North of England are not enamoured of pictures whose players speak in the dialect of West Kensington when they are not talking with what they imagine is a Cockney accent. But I may also be allowed to say that when the longest runs of the current year include two such "uncommercial" films as "A Nous la Liberté" and "Kameradschaft"—especially the latter—and when such pictures as "The Blue Express" and "Westfront 1918" prove themselves quite unusual attractions at the theatre where they are first presented to the British public, there would appear to be some support for the contention I have so often put forward, that a large section of the film trade, including far too many of the people who control the exhibiting side, consistently under-rate both the taste and the intelligence of the public. If "A Nous la Liberté" prove to the liking of provincial audiences, the result should also prove that appreciation of the best that the current screen can offer is not confined to the West End of London.

"Horror" Films.

"Dracula," which was shown in London about a year ago, was recently followed by "Frankenstein" which has in turn been succeeded by "The Murders in the Rue Morgue," privately shown last week. Hollywood has also made a picture called "Freaks," depicting human monstrosities and deformities, which has, I understand, been a success in the United States, although the British Board of Film Censorship has refused it a certificate. These four productions do not exhaust the list, but they are enough to indicate that the manufacture of "horror" films is in full blast. The public appears to like them, but if the pictures of this genre that I have seen are to be accepted as a criterion, their appeal must largely be to the unsophisticated. The realisation of a macabre atmosphere requires a director of unusual virtuosity, and the macabre was conspicuously absent from "Frankenstein," which signally failed to give me a thrill. Its defect, as I pointed out at the time, is that it was too much made to order; Hollywood has a touching faith in the synthetic film, which is another way of saying that it fails to realise the immense gap between conception and execution.

I hope to review "The Murders in the Rue Morgue" next week.

Current Films.

"The Passionate Plumber," with a team of comedians including Buster Keaton, Jimmy (Schnozzle) Durante, and Polly Moran, finishes at the Empire to-morrow (Friday). "The Silent Voice," George Arliss's latest picture, is being concurrently shown at the Regal and Pavilion, and the Rialto programme has been strengthened by the addition of "Le Million," "A Nous la Liberté" remaining in the bill. This is the first occasion on which two of Clair's pictures have been simultaneously shown at the same English theatre. "Sunshine Susie," one of the best of the current general releases, is at the Stoll until Sunday.

DAVID OCKHAM.

WISDOM BY ACCIDENT.

"The people who seek to destroy credit are second only to the criminals who destroy life."—Sir Henri Deterding, head of the Royal Dutch Petroleum Company, in the *Daily Express* of April 12, 1932.

Major Douglas in Scotland.

At St. Andrew's Halls, Glasgow, on Tuesday, April 26, 1932, at 7.30 p.m., Major Douglas will give an address on the subject: "Finance, Poverty, and War." The Chairman will be Mr. Compton Mackenzie, the well-known author and journalist. Admission is by ticket. The ticket arrangements are as follows:—

Two hundred and seventy-five seats allotted free to the unemployed, who should apply to the Legion of Unemployed.

Other free tickets are obtainable from Mr. J. P. White, 4, Caledonia Road; and Mr. Robert Maclay, 74, New City Road, both in Glasgow.

Seats for the ordinary public are as follows:—Booked seats 1s. and 1s. 6d. Unreserved seats, 6d. and 1s. (Presumably applications should be made to the gentlemen named above: our advices do not say.)

The promoters say that they are hoping to fill the hall with amplifiers to ensure that everyone shall hear the address without difficulty. They inform us that in their advertising of the meeting they are not mentioning any organisation whatever except the Legion of Unemployed, and that the platform party have been invited to the meeting on the basis that it has been arranged by one or two private individuals who have been impressed by Major Douglas's writings. (They know nothing about the rumoured "Consumers' Party" mentioned in our correspondence last week and this.)

Reflections on Wells.

[Mr. M'Devitt recently received a letter of congratulation on his pamphlet, *The Labourer and His Hire*, from a prominent public man with large business interests in the north. Accompanying the letter was a gift of Mr. H. G. Wells's last book, *The Work, Wealth and Happiness of Mankind*, on which, said the correspondent, he would very much like to have Mr. M'Devitt's opinion. Below we print a verbatim copy of the opinion which Mr. M'Devitt sent to him.—ED.]

Shaw's "young man hatched from the egg" has been adopted by Wells to supply the completely virgin mind which looks at things unclouded by preconceptions. Unfortunately, Wells does not acquire the virgin mentality himself. He comes to the task as a Fabian Socialist, and his analysis is largely coloured by that outlook.

The outstanding exponents of Fabianism are Wells and the Webbs (now Lord Passfield). Set these people loose in a field of figures and they will browse upon them, fill themselves with data, get down in a shady corner, and chew reflective cuds of statistical food, until they acquire the mass mentality! This habit of mind sees men as it sees figures—in the mass—to be subtracted, added, divided, and multiplied to produce a pre-calculated answer. That a man is not merely a manipulable figure in a statistical table, that after you have added him to another man he will "not stay put," is one of the factors in the world problem which the Fabian underestimates—with all his passion for arithmetic.

The Napoleonic concepts of Wells and his school see the problem as a chess player sees his rooks, bishops, and pawns (page 365 footnote). "We show that the socialisation, education, and civilisation of 'Homo Sapiens' is essentially the restriction of individual impulse." But is it? Why not the giving of directional force to the individual impulse instead of the restriction of it? If individual impulse is to be regimented, classified, tabulated, and generalised, why is it there? Is it not a contradiction of Wells' own declarations on Evolution? Evolution takes hold of the natural individual impulses—gives them directional force to a higher plane, and thus works out that infinite variety which makes all nature not only akin, but interesting and tolerable in an otherwise drab world. This is not a digression: it is the sounding of the key-note against which harmonies and discords may be contrasted.

As usual, Wells is masterly in his wealth of detail, strong in his method of arraying his matter, and arresting in his descriptive style. I find a great deal of similarity in his ideology on the operations of Finance with what I have tried to say, less adequately, elsewhere.

Keynes and the London School of Economics are his economic mentors, and though he tilts a tentative lance with the earlier and orthodox economists, he does not quite

break away from their influences. Wells sees the paradox of world-poverty in the midst of world-plenty, but so did Carlyle and Ruskin in the '40's and '50's of last century. Wells has the advantage of being alive in 1932 and of seeing the inevitable outcome of the things against which Carlyle and Ruskin fulminated in their day. Wells, thereby, is enabled to expand their discoveries, to follow the ore-lode to richer seams and pockets, and to uncover the psychological malaise as well as the physical aspects of the disease in the body politic.

He lauds Keynes as the Apostle of the New Money School; accepts "the conception of a barometric currency, based on an index number," and is prepared to wait the evolution of the banker who "is able to think of himself as the guardian of the measure for human interaction" (p. 378). He seems rather sorry, however, that "for ordinary everyday purposes he (the banker) is still under the sway of a long tradition of profit-seeking" (p. 378). And arising from these fine sentiments, Wells, in his shady corner of the field, ruminatively sees that "a time may come when profit-seeking banking will not be tolerated, and all banking operations will be recognised as vital public services." Bravo! You see, by crossing a profit-seeking banker with an altruistic female philanthropist, the time may come when you will produce a banker who will work for the sheer love of humanity. It seems perfectly obvious that the desperate urgency of the case and the parlous world conditions in industry have not penetrated the corner of the ruminative Wellsian field of vision.

Carlyle in the "Proem" of his "Past and Present" sees the paradox of the sacrifice of real wealth by a world devoted to the accumulation of the tokens of that wealth.

Ruskin exhibits the futility of bulb producing bulb, but never emerging into flower, which is the *raison d'être* of bulbs. Wells, with other moderns, discloses the botanical reasons for the abortive functioning of the bulb, and does it in masterly style, but fails to show how the bulb is to be fertilised into flowering. With Keynes, and others, he rises to the height of a "managed currency" which will fluctuate in volume by periodic movements of deflation and inflation to stabilise commodity prices.

J. F. Darling, with his new money, called the "Rex," becomes a bi-metallist, but Bryan, "the silver-tongued orator," worked the bi-metallist monetisation of silver long ago, and could make the Yankees do anything for him except vote for him.

Professor Soddy, in his *Cartesian Economics*, gets almost as far as Douglas—but not quite. Soddy sees the money power rising to a complete dominance over industry, over Kings and Parliaments, and makes his protest in "Money versus Men." Wells is alive to the tendency for the Counting house to dominate the mechanical side of production (p. 377, last par.), and points out that "there is always the danger that sympathetic participation may pass into interference and control," but he does not seem to realise that this is already a "fait accompli" in the relations of Finance and Industry.

Now, to be done with merely critical analysis—and I have just realised my own temerity—let us see what may be said for the answer of a scientifically trained man—an engineer at that!—to the problem. Wells sees the problem pretty thoroughly, but obsessed as he is by the Fabian ideology of the "Inevitability of Gradualness," he seems to think that it is only a passing phase in the age-long processes of Industrial and Financial Evolution. To the calm scientific mind it is all one whether these processes advance by way of slow change fading into slow change, or by the disruption of a civilisation to make room for a new one. Douglas thinks otherwise. He suggests that gradualness is not so very inevitable. He believes that Science has something to say in preventing the disruption of the present civilisation, and sees no guarantee that the new world which may emerge from the chaos of disruption will be any great advance upon the old. The erection of barricades and guillotines is not necessarily followed by a golden age, as we have seen.

Do you note how Wells betrays his mental attitude in the title-heading to this section of his great book, "How work is paid for, and wealth accumulated"? Actually, real wealth cannot be accumulated. The tokens of it can be heaped up. Real wealth, to be wealth at all, can only be used: "Lay not up treasures on earth, where the moth corrupts, and rust decays." The control of the case does not fers the control of use. This aspect of the case does not seem to have been in the Wellsian Stamp's "Tensions of reasoning are circumscribed by Josiah Stamp's 'Tendencies which in fact exist.'" His masterly analysis of these existing tendencies does not envisage the process of stepping outside of the four corners of existing tendencies, and it is only outside of them salvation is to be found. Politicians and the dilettante sneer at the scientist and his formulae;

but if the flaw in the financial system is a mistake in the science of national and world accountancy, then only a corrected and accurately founded scientific cure can suffice. As an example, how would this appeal to Wells as a corrective in national finance, instead of a perpetual juggling with a managed currency?

*Goods consumed+Capital depreciation+Exports+The National Dividend.

Goods produced+Capital appreciation+Imports.

Considering it is not money, but commodities, which establish the standard of living, why should the volume of money liberated as purchasing-power be the controlling factor in production and distribution rather than the volume of goods and services available? That is the point where, in my humble opinion, Wells breaks down. He leads us right up to the point where the fatal flaw becomes visible to those who have the vision of things outside the four corners of orthodox economics, but perfectly invisible to those whose eyes are focused within the limited area. The Wellsian remedies are also linked up with the Internationalising passion which is so prevalent to-day. To my mind, this is being over-emphasised lately.

The goodness or badness of a huge aggregation of units is the goodness or badness of its units. Ten bankrupt nations wallowing in Budgetary deficits will not build up into a solvent whole, any more than ten bankrupt shipyards will make a solvent combine. In so far as mutual indebtedness is concerned, they may devise palliative measures to stave off the final collapse, but in so far as each unit suffers from a deficit in its own financial system, the adding together of ten small defects can only result in one aggregate defect of larger proportions. The coming together of debt-free and solvent peoples in a bond of amity is more probable than a union of peoples each struggling with an internal disorder which makes every foreign nation a commercial and financial enemy—potentially, if not actually.

Wells is really great, but not quite great enough on this aspect of his book to satisfy me. That may be sheer presumption on my part, but, on the other hand, where Wells fails me, Douglas satisfies; where Wells falters, Douglas marches to the Q.E.D.

PHILLIP M'DEVITT.

LETTERS TO THE EDITOR.

THE "CONSUMERS' PARTY" RUMOUR.

Sir,—I read with surprise in last week's *New Age* a letter by Anthony G. Hepburn and Hugo Rey referring to some imaginary formation of a "Consumers' Party," to be inaugurated on the occasion of Major Douglas's visit to Glasgow on April 26. I hasten to correct any false impression which may have been given to your subscribers through the publication of this letter.

The meeting to be held in St. Andrew's Halls, Glasgow, and to be addressed by Major Douglas, has been arranged by a few individuals who are not connected with any organised group or association. The spirit in which the meeting has been arranged is simply one of doing a public service. Major Douglas is addressing the Rotary Club in Glasgow on that date, and we were of the opinion that the Glasgow public should have an opportunity to hear him in the evening. On our platform we hope to have people who will represent every aspect of the city community. The meeting will be confined to the address and questions. It is a public meeting, and no member of the public will be asked to do anything except to enjoy the address and to give Major Douglas a good hearing, and think carefully over what he says. There will be no request made to any member of the public at the meeting to join any definite organisation or party.

The promoters of the meeting, however, do reserve the right to themselves within any hostility to form and disorganise within permitted hours any number of "Consumers' Parties" which they may care to have.

A. H. M.

MAJOR DOUGLAS'S SCHEME FOR SCOTLAND.

Sir,—We are interested to read the letter from Mr. Anthony G. Hepburn and Mr. Hugo Rey, in the course of which they say that "ordinary political methods are even more out of the question in Scotland than in England, and the tactics of the Kibbo Kift (suitably developed to meet Scottish needs and opportunities) present the only logical method."

We think that the following resolution, which will come before our National Assembly at Whitsuntide, will be of interest to Scottish advocates of Social Credit:—

"That in view of the Social Credit Scheme for Scotland put forward by Major C. H. Douglas in the *Glasgow Evening Times* for March 11, 1932, this National Assembly of

* A price-regulating factor.

the Kibbo Kift appeals to the Executive of the Scottish National Party to make this Scheme the bedrock foundation of their economic policy."

I am asked to say that the informal discussions, to be held in camp during the Whit week-end, are open to all advocates of Social Credit and their friends. Arrangements are being made for a strong contingent of Green Shirts from Coventry and other districts to attend this year, and we shall welcome any visitors from Scotland.

General Secretary, Kibbo Kift, 7, Northbrook Road, Ilford, Essex.

THE GLASGOW DOUGLAS CREDIT ASSOCIATION.

Sir,—You will be interested to know that the visit of the Marquis of Tavistock to Glasgow on Tuesday, April 12, was a great success, the S.C. meeting addressed by him being, I am sure, the largest yet held in Glasgow, and probably also in Scotland. No effort was spared to make this meeting a success, our publicity scheme including the printing of 4,000 handbills, a display of 100 posters on Glasgow hoardings, plus a Press advertising campaign and sandwichmen on the day of the meeting.

The attendance at the meeting itself was between 700 and 800, admission being by tickets, priced, respectively, 2s. 6d., 1s., and 6d. The audience itself was a very sympathetic one; in fact, in the opinion of the hall authorities, the best type of audience the hall has ever had in its fairly long history. Sales of S.C. literature were very good, the only unsatisfactory thing being the complete boycott of the meeting by the Beaverbrook and Rothermere Press, all the other newspapers giving it, with the very notable exception of the *Glasgow Citizen*, a Press report. A rather interesting happening was the very evident surprise of a well-known Glasgow Labour man, who was so surprised by the large audience that he passed the remark that he would have to look into this matter of Douglas Social Credit.

Regarding the letter appearing in your last issue and signed by Hugo Rey and A. G. Hepburn, it is based on a complete ignorance of the position in Glasgow. The G.D.C.A. has not the slightest intention to form a consumers' party, the Association having no use whatsoever for party politics, its policy being to secure enough support to enable it to maintain headquarters and then to operate on the lines of the Kibbo Kift adapted for Scottish conditions. Incidentally, the A. section of our Movement has been using one of the K.K. handbooks as a training manual for several months past. Regarding the Douglas plan for Scotland, this scheme is receiving our careful consideration, but until our Research Department deals with it no special report will be made on it. However, I might point out that in a world in which everything is in a constant state of flux it seems to me to be courting disaster to fix any Movement down to any hard and fast plan. After all, the main thing is to convert sufficient people to an understanding of the Douglas Proposals, and when that is done the activities of the Scots Douglasites, plus the march of events, will bring the Douglas Proposals into being as the National Economic Policy of Scotland.

W. FINLAY,
President, Glasgow D.C.A.

ANSWERS TO CORRESPONDENTS.

"A + B," "NEW AGE," APRIL 14.

H. Warren.—In column 2, p. 286, line 6 from the bottom the passage alluding to the banks' loans being "subleased many times over" is, we admit, ambiguous out of its context. All we intended by it was to refer to the practice of firms to re-lend the bank-credit they borrow, i.e., to allow credit to their customers, who, in their turn, are thus able to allow credit to theirs—and so on along the line from the manufacturer to the consumer. You will remember that we made the above allusion simply to show why the position occupied by the banks, as previously described, was not generally understood. Thus, under this system of chain-lending, a bank, by calling in an overdraft from a firm "A," forces "A" to curtail credit to "B," and so on, thus setting up a sequence of loan-repayments right along the line without anyone except "A" realising that any bank has anything to do with the affair. Business finance is more complex than is indicated by this illustration. You do not have one single line, A, B, C, etc., but you have an A encircled by several B's, each of these B's encircled by C's, and so on. The credit proceeds from A along multi-directional lines, and so it does from every B, and so on. It was with this in mind that we used the words "many times over." But, as we say, the point did not bear on our main argument, and if our expression of it is thought to be misleading, you will doubtless be able to amplify it.

SOCIAL CREDIT ASSOCIATION OF PRODUCERS, DISTRIBUTORS, AND CONSUMERS.

A public meeting of the above Association will be held in the Central Hall (Coventry) on April 25, at 7.45 p.m. Speaker: The Marquis of Tavistock. Subject: "A Practical Way to Prosperity."

ROBERT J. SCRUTTON,
Organising Secretary (Coventry),
(Birmingham Branch),

WALTER F. PRATT, Hon. Sec.,
202, Malmesbury Road, Small Heath,
Birmingham.

May 1, "Freedom Sunday," St. Peter's, Coventry, 11 a.m. Mass for the Cause of Freedom. All Social Creditors invited.

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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 from 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 community, as a repayable loan, without crediting the money was created, 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.

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.

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