

THE NEW AGE

INCORPORATING "CREDIT POWER"

A WEEKLY REVIEW OF POLITICS, LITERATURE, AND ART.

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NOTES OF THE WEEK.

The Moving Finger writes; and, having writ,
Wipes out; nor all your Piety nor Wit
Shall lure it back to rescue half a Line,
Nor all your Tears revive a word of it.

Let this stand for the epitaph of the Dawes Pact. On July 31 we opened our Notes with the declaration that the Allied Conference was destined to fail. As we write to-day Mr. Snowden is prophesying disaster for British trade, and being attacked by the *Echo de Paris* for attempting to dictate to France how she shall conduct her affairs; while the *Matin* prints comments by M. Millerand, the French ex-President, which include the recommendation that "It will be better to await events before congratulating ourselves on the results of the Conference," and the significant declaration that "We must see to it that nothing arises to compromise the strength of our forces in Europe, which, at the present time, are our sole guarantee of security." No careful student can underestimate the gravity of the publication or such a passage as the following from the lips of our Chancellor of the Exchequer: "The French industrials, of whom M. Loucheur is the guiding and inspiring spirit, have designs upon the economic control of certain German industries, which they make no effort to conceal. There is very real danger that political means will be used to advance these aims. The proposed agreement between France and Germany is one method by which this project may be advanced. I warn British trades, to be alert in this matter. The draft agreement which has been proposed is a trade menace to Great Britain of the most serious character." We do not know what the Union of Democratic Control it terrifies us. According to the *Financial News*, the Treaty of Commerce in question provides, for instance, that manufactured goods and materials from Alsace-Lorraine are to enter Germany practically free of duty, while all German produce is to be subjected to heavy French duties except such things as coal, coke, and other descriptions of material as may be urgently required by Alsace-Lorraine. The same journal quotes its correspondent as stating that the French delegates who are dealing specially with this Treaty have expressly stipulated that its text is not to be revealed to the British Government until after

it has been accepted and signed by the German Government. Then, if any further evidence is wanted to prove that the Dawes Agreement was really a disagreement, the *Financial Times* remarks in a leading article, "When the time comes to float the £40,000,000 loan—tentatively fixed for next October—a further overhauling of the situation will have to take place, and the representations of the bankers may again prove to be more efficacious than the arguments of the politicians and the diplomats." Here is an evidently inspired statement, which unmistakably reveals the fact that this loan, which was the sole inducement that procured the initials (not the signatures) of the German delegates to the Agreement, is likely to be held up. The German Nationalists will not neglect to do justice to this development in the course of their campaign against the Pact, and the more it stimulates their agitation the stiffer will become France's resolution not to come out of the Ruhr. Already, moreover, France recently showed herself very touchy with Mr. MacDonald over his comparatively gentle suggestion that she should hasten her withdrawal.

One thing is evident, and that is that the purely financial interests have suffered a check at the Conference. The above quotations from Mr. Snowden (who, in his own phrase, is now definitely known as the Bankers' Minister) and from the financial Press, are evidences of their dissatisfaction. We pointed out some weeks ago that France was likely to be quite a different proposition apropos of the financiers' plans for establishing Europe on a "sound currency basis" than were Austria and Hungary. In her regard one could paraphrase the proverb and say, "Thrice just is he who has his quarrel armed." Again, not only with France, but with Russia there seems to have arisen a conflict between the banks and the politicians. The *Daily Mail* is scandalised that Mr. MacDonald should have engineered an agreement with the Soviet delegation against the strong protest of Mr. Snowden, with whom, as that journal quite unnecessarily and ingeniously adds, the bankers and the Treasury officials are associated. If our readers were less sophisticated than they are, they might well have gaped at the *Daily Mail's* idea of there being a sort of blasphemy in the Prime Minister's decision to over-rule the views of the

Chancellor of the Exchequer; but knowing what they know, they recognise that it is a most natural idea. If political forms reflected economic realities the Chancellor of the Exchequer would, *ipso facto*, always be the Prime Minister, and we cheerfully endorse the unspoken thought of the Rothermere organ that Mr. Snowden ought to be regarded by his colleagues as their *de facto* chief; it would save a great deal of misunderstanding. There is, we admit, some ground for inquiry why Mr. MacDonald suddenly intervened just when negotiations were on the point of breaking down. And yet again, who knows whether the negotiations were at that point? Who is to prove that the reports of their imminent failure were not a wish rather than a thought? We offer the suggestion that far from there being any nervousness among financiers about the security of Russia as a potential borrower, they are at loggerheads about which of them shall plant their credits there. We are too familiar with that hoary device of disparaging something one wants to buy badly to take these attacks on the Bolsheviks seriously. The following passage from a weekly investors' journal called *Finance* is worth the contents of twenty *Daily Mails*. It says:

In well-informed French, American, Japanese and British circles the financial future of Russia is not regarded as beyond remedy. The best proof is that the Allies have, as a matter of high policy, guaranteed the payment of all Russian Government coupons. Practically, they are to-day "Bulls" of Russian Bonds. Obviously, this is a policy imposed upon them by the position of France, which has about £400,000,000 invested in Russian securities. Again, how many people realise that the Americans have paid almost as much attention to the resources of Russia as have the Germans themselves? Not long before the war started powerful American capitalists had elaborated a project for a railway that would practically mean a New York-Petrograd route. It was to run through Alaska, and across the Behring Straits. Only "insiders" have cognisance of the extent of the operations conducted in Russia by American prospectors, miners, and engineers.

The Americans have satisfied themselves that Russia is one of the richest regions in the world; that a rich reward awaits the Russians and those who assist them in developing this illimitable wealth. Already, complete plans exist for dealing with certain important railway, mining, industrial and agricultural interests. There is, indeed, a splendid field for ultra-modern, scientific enterprise in what may be described as a virgin land. This should be sufficient to settle all chatter about Russia being an unsound proposition and render ludicrous the *Daily Mail's* suggestion that the Labour Government was forced to deflect a supposedly anti-Soviet financial policy at the instance of a few Communists within the Party. Assuming it to be true that certain British bankers object to the Anglo-Russian agreement, it is probably because it upsets a previous informal arrangement of their own with Wall Street as to the rationing of opportunities to lend, and the fixing of the amounts to be lent. It is by no means inconceivable that our own financiers have given an undertaking on their own responsibility that America shall have the first spoonful of caviare, and that Britain shall wait her turn. Or, more probably, following the precedents of China's loans, both Lombard Street and Wall Street are holding off by mutual consent until Russia will pay their terms for a loan. In either of these cases, the intervention of a mere politician like the famous Crisp Loan to China, when Mr. Crisp cut in and worked a loan on low terms just when the financiers and diplomats of all the chief European Powers had arranged a money-lending monopoly (as they thought), and were

on the point of using it to exact a penal rate of interest out of that unhappy people. There is the third possibility that the Russian Government, knowing that Britain and America have got to lend in order to keep their industries going, are playing one country off against the other. This theory would explain that confident note on which the Communist Party of Great Britain (which takes its cue from Moscow) talk of £100,000,000 loan to Russia—the veiled threat being that if we do not lend it some other group of financiers will. The whole situation is a pitiable illustration of the penalties which peoples have to pay for their rulers' obstinate adherence to an obsolete system of internal finance.

Another check to finance has been administered by the Turkish Supreme Court. Before the war a man deposited 3,800 Turkish pounds in gold at the Salonica branch of the Ottoman Bank. When the war was over he asked for it back at the Constantinople head office of the bank. They proposed to pay him that amount in bank notes. He refused to accept the offer and sued the bank. The Lower Court ordered the bank to pay either in gold or in an equivalent value in paper. There was an appeal, but the Supreme Court confirmed the judgment, and has now ordered the bank to pay in banknotes eight times the amount of the deposit. "The Ottoman Bank has protested to the Government against the order of the Court, which, it contends, may involve serious consequences." (This information is from a report in the *Star* of August 22.) We can well imagine the "serious consequences" of the judgment, nevertheless it is a strictly equitable one, and we shall watch with care what happens. What the internal price level of Turkey may now be in relation to the pre-war level we have no information, but we do know that if this depositor wanted to spend his money in England at the present time he would get even less than one-eighth the quantity of goods in exchange for the paper currency that he could buy with the gold of the same face value. "Serious consequences" have two edges. The significance, to our mind, of this episode is the effrontery of the money monopoly in making any protest at all. It is exactly as though it had taken a gold sovereign from the man, had created and circulated eight £1 notes on the basis of that sovereign, and now proposed to give him one of these notes back and cry quits. And it is left for a Turk to see through the game. How many of those patriotic people who paid in their sovereigns to the British banks in 1914, realised that on each coin they were parting with a purchasing value which was soon to go up from 20s. to 23s. 6d., or realise that even at the present time the value is 21s. 4d.

The employees of the Royal Mint, who are getting 28s. a week, plus bonus (bringing earnings up to about 50s. a week) have made a claim for a minimum basic rate of 35s. a week, rising to 55s., plus bonus. Mr. Graham, the Financial Secretary to the Treasury, has not looked upon the claim with favour. On the contrary he told the I.L.P. Summer School that the Mint depends upon export trade in medals and coins to keep out of the workhouse, and that if the workers' claims were conceded the foreign orders would go elsewhere, and they would be dismissed. (One of the coin contracts, we are intrigued to hear, is for the Russian Government. We hope they are not using precious metals.) Recently Mr. C. W. Gibson, an organiser in the Workers' Union, has written to the *Star* to protest against Mr. Graham's "implied suggestion that the men have been trying to squeeze the Labour Government" and to complain of his neglect to arrange a conference to discuss the claim. "Mr. Graham and his satellites," he says, "are more difficult to get round the conference table to discuss the workers' grievances than the most reactionary Tory. He has developed, to an even finer art than the

Tories, the policy of Red Tape evasion." "The men at the Royal Mint are not satisfied," he concludes, "and they will be backed by the Workers' Union in the fight to get a reasonable standard of living." Yes, but cannot Mr. Gibson see that whereas Mr. Graham out of office belonged to the people, Mr. Graham in office belongs to the nation?—that he, who once attacked the evils of capitalism, is now the manager of a capitalist concern? So much for poor Mr. Graham. Let us stroll over to another altercation. The Edmonton Labour Party is very properly exciting itself about houses. In a letter to Mr. Wheatley it says:—

"Relying on your own and the Prime Minister's promises, we fought the last local elections on the housing question. We promised that we would build houses. We got a majority, and it is up to us to fulfil our promises. A deputation from the Urban Council of Edmonton waited upon a representative of your department, when the usual official excuses for delay were advanced.

"We understand from the Press that you are having a busman's holiday. Can we persuade you to inspect the local building site? Plans are ready; workmen are ready; we require permission and a loan to proceed."

Poor Mr. Wheatley. As if he did not know it already. Ah, that loan—that exceedingly scarce supply of paper permits to work, permits to enjoy the fruits of work. How to get them. It is easier for a camel to tread through the eye of Threadneedle-street.

Well, we must not, we suppose, repeat ourselves by reminding all hearing ears how these perplexities may be abolished. Least of all need we do so to Mr. Wheatley. Instead we will offer to him, and to Mr. Graham the consoling news that they do not suffer alone in this condemnation. A report from Brisbane says that Labour in Queensland has given a hostile reception to Mr. Theodore, the Premier, on account of the surrender he had to make in the City before he could get his loan. The negotiations have been characterised as a "betrayal of the workers." The report continues that "Mr. Theodore is defiant, and declares his willingness to resign from State politics." We rather hope that this last sentence is true. What is demanded by the impossible character and the present deadlock is a continuous succession of resignations. Ministers who persist in sticking to their job under hopeless conditions need not necessarily be insincere, but they nevertheless risk their reputation for sincerity, besides helping, however unconsciously, to delay the final remedy for their helplessness. We were speaking not long ago to an ardent member of the I.L.P. who could not be induced to conceive of men like Mr. MacDonald or Mr. Wheatley acquiescing in the suppression of their life-long aspirations by the financial powers. "At least," he said, "if what you suggest is true, they would resign and publish their reasons to the whole country." Our reply was that we hoped he was right in his estimate of them and in his assumption that the Press would afford them space to make their revelations if they chose to do so. The difficulty is that a "code of honour" is one of the things which, although not forbidden by law, "are not done" in the realms of ministerial office. One of those things is "blabbing." Notice how jealously Ministers preserve the sanctity of private correspondence. Take a very trivial secret like that passage in Joseph Chamberlain's private note to Sir Henry Campbell-Bannerman before the Boer War—"We know these fellows won't fight." Sir Henry could have quoted it with devastating force at many junctures during the ensuing war when he was the subject of as coarse a volume of vituperation as any statesman has had to suffer; yet he did not, until one day,

after the war was over. Mr. Chamberlain himself unguardedly quoted from the same note, and thereby had to acquiesce when Sir Henry claimed the right to reveal the rest of it. But for that slip, the very existence of the communication would probably have not become known for a generation or two. What is "intolerable" in the case of a prisoner on his defence for murder is the proper thing in the case of an assailed politician; the refraining from telling the whole truth. Does anyone suppose that the personnel of the present Cabinet was an afterthought of the Election? Not a bit of it. The "possibles" were sounded, sifted, and eliminated well before the Grand Masters of the Political Game sat down to their Luncheon at Leatherhead. Persons to be caught up into the seventh sphere of ministerial experience where they will see unutterable things, have first to be tested to try their knowledge of what is not lawful to utter. It is not a gruesome ordeal at all. It may consist in some such harmless and not unduly dry experience as going to a dinner-party at Lord Astor's.

These facts have a direct bearing on certain resolutions which are to come before the next Labour Conference, demanding that the Labour Cabinet should be subject to the Labour Party Executive, and that the members of the Cabinet should be nominated by the Party. It would be a sound idea enough if the Labour Party Executive were the steward of "appropriations" as well as of aspirations. They could then tell the Cabinet to do what it was put there to do, and give it the money to do it. But as Labour, whatever else it can produce, cannot produce money, it must remain content to watch its Cabinet make the best bargain it can with those who do. And really it does not matter who is chosen as a Cabinet bargainer, since the rôle of the Cabinet is to take general orders and adopt its views to them as best it may. Besides that, even if the Labour Party Executive did manage to take over the power of nominating Ministers, the only change would be that the Executive would now dine with his lordship in place of the potential nominees. Mass mastication: and in the end they would swallow the same Cabinet anyway.

Mr. Keynes Among the Prophets.

By Geoffrey Biddulph.

Last year Mr. Keynes realised that the monetary system was not all that it should be, and this year at the Liberal Summer School he criticises the practice of foreign and colonial investment, the latter of which, artificially stimulated by the Colonial Stock Act of 1900, "brought the loans of Colonial Government within the field of authorised Trustee investments. Since many forms of enterprise are not so in this country, money for the former can be raised more easily and cheaply in London than for similar home undertakings." To this the answer of the Socialists is obvious, but Mr. Keynes "rejects Socialism, which, with no expectation of doing things appreciably better, might do worse." The he "believes central controls to be imperative." The contradiction here involved can only be met by the realisation that, though the point at which technical efficiency is increased by centralisation varies with each industry, financial advantage always goes to large organisations which can control credit. "The Trustee Acts," said Mr. Keynes, "besides starving home development by diverting savings abroad, and consequently burdening home borrowers with a higher rate of interest than they would otherwise have to pay, also lull investors into a false sense of security, for in some cases these loans are becoming dangerously large in relation to the population and wealth of the borrowing communities. So

long as we renew maturing loans when they fall due, and in addition lend *twice the amount required to meet the interest* on previous loans, the capacity of the borrowers to meet their liabilities is obviously altogether untested. In the long run either from the mere operation of compound interest, or from our lending surplus falling, this will be reversed. Our difficulties on a grand scale will then begin.

"Loans to Brazil total £250 million, at a rate now equivalent to 2½ per cent.; to the Colonial and Indian Governments £900 million, and these are increasing at the rate of £60 million a year, while interest only amounts to £35 or £40 million. Last year we invested abroad two-thirds of what passed through the investment market, and probably between a half and one-third of our total savings. Most of this could have been usefully employed at home, and indeed must be if our national equipment is to grow as fast as our population and theoretical standard of life."

The remedy is to "repeal the existing Trustee Acts and allow the Treasury to widen the Trustee list of home investments, and strictly ration overseas borrowers. This would assist the Treasury in protecting the gilt-edged market for its heavy impending conversions, and it should not redeem debt except when there is a need of new loans for home development of a type suitable for inclusion as Trustee investments."

It is claimed that foreign investment is a stimulus to trade, but Mr. Keynes denies that it expanded exports correspondingly. "It so affects the foreign exchange that we are *compelled* to export more in order to maintain our solvency. We can only do this by lowering the price of our products in terms of those of foreign nations, that is by allowing the ratio of *real* interchange to move to our disadvantage. The more we have to *force* the volume of our exports, the lower the price which we have to accept for them. This is capable of doing us a great deal of injury in the terms on which we conduct our *internal* trade."

Comparing home and foreign investments "with equal risks of repudiation or restriction of profit," Mr. Keynes observed that "it is a matter of indifference to the individual investor, but the nation in one case retains the object of the investment and the fruits of it; while in the other case both are lost. If a loan to improve a South American capital is repudiated we have nothing, but if a Poplar housing loan is repudiated we still have the houses," etc. Mr. Keynes has not yet applied this argument to the "Free" Trade fallacy, which ignores the advantage of the employment given by industry at home over exported capital on which interest only is received; though he remarked that "exports stimulate employment *not a scrap more* than a real investment at home." It would be more correct to say "a good deal less," and as for their real value, Mr. Robert Maclaurin, in *The Overseas Illusion*, gives a list of the twenty-eight wars and disputes since 1820, culminating in that of 1914, all of which were waged for the defence or forcing of overseas markets, or for the security of investments. Home defence and the protection of food supplies are pretexts; the occupation of a foreign country under civilised conditions is not attractive, and all necessary foods that are not exotic can be grown at home. If our foreign trade were taxed with its real costs—its wars and its "insurance," it would sink to a correct proportion of the whole—a very vulgar fraction.

Mr. Keynes indeed admitted that foreign investment (a habit in which Great Britain is to-day *unique*) "reached its utmost limit of magnitude and ceding the war. No investments have ever been made so foolish and so disastrous as the loans of France to Russia, and on a lesser scale to the Balkans, Austria, Mexico, and Brazil, between 1900 and 1914.

Nearly all has been lost. The national advantage of such loans is small—many of them have been employed to wage wars which could not otherwise have been carried on."

"The notion," concluded Mr. Keynes, "that the great thing is to get rid of goods from the country is not sensible. There is no virtue in exports for their own sake, which are not required to pay for desired imports." Unfortunately it is not "for their own sake," or out of charity that nations try to get so-called "favourable" or active trade balances. The Monetary system, which Mr. Keynes so far only desires to stabilise, gives to money—the instrument—a superiority in exchange over goods and services—the ends of industry, and until this inversion can be corrected, nations will continue to strive for the advantage of being creditors and securing the claims that bring their financiers money, while at the same time maintain the rate of interest at home.

Banking that Beggared Britain.

By Rene Charles Dickens.

What smashed British trade at home and abroad? What gave our home and foreign markets to the Germans, the French and the Belgians? What filled Great Britain with unemployed? This: *the disproportional rates of exchange.*

What killed the mark? What threatens the franc and forces the hand of the French Government? What gave the international banks English and American credit in place of the mark credit which they had condemned long in advance? What will kill every good scheme of currency reform? This again: *the disproportional rates of exchange.*

THE GOLD DEPOSIT.

The gold deposit is the property of the note-holders. Their rights are based on the proportion which the gold deposit bears to the quantity of paper currency issued. The availability of the gold would either have established proportional rates of exchange or have abolished the paper and brought the gold out again. The locking up of the world's gold enabled the High Finance to invent the disproportional rates which have overthrown the world's markets and made the right to work and trade a privilege dispensed entirely by the High Finance. The nature of this terrible punitive instrument wielded by the High Finance (and based on the robbery of the note-holder of his right to the gold) will appear in clear light when the difference between proportional and disproportional rates is considered.

TOTAL CURRENCY AND TOTAL VALUE.

In 1913 the German currency was 2,594 millions of gold marks, or 129,700 million sovereigns. The paper marks could either be exchanged for the gold or (periodically) for goods and services possessing value from work equal to that of the gold. In 1918 (says Dawes Report) the gold was still there, though concealed. And the Germans could offer substantially the same quantity of goods and services as the lamenting *Daily Mail* daily told us.

The Germans had lost many workers during the war, but (like the English) they had never put forth their full industrial power, and their national capital had been augmented by public utility work (canals, railways, etc.), some of which was got in exchange for issues of paper money. It cannot be said that a railway or a canal is not every bit "as good as gold" (in concealed deposit). So the total value of the German currency was either a constant or a *crescendo* figure. But it could only have remained so if the exchange rates had been proportional. That total value would then have corresponded (A) to the value of the deposit behind the notes, and (B) to the

(periodical) selling power of the German nation in goods and services:

	Currency (Millions)	German Selling Power in Goods & Services (in Sovereigns' Worth)	Deposit Value in Gold Sovereigns.
Dec. 19, '13	2,594	129,700,000	129,700,000
July 7, '23	20,241,783	129,700,000	129,700,000 (plus ports,
Aug. 16, '23	220,718,763	129,700,000	129,700,000 (canals, bldgs,
Aug. 18, '23	247,000,000	129,700,000	129,700,000 (railways, etc.)

The proportional rates were not fixed because the gold deposit was not available. They could be properly represented thus:

Currency Proportional Rate (millions) of Gold Pound (sovereign)	Rate bearing the same fixed proportion to the entire German currency, whatever its total amount may have been.
2,594	20 marks
25,940	200 "
259,400	2,000 "
2,594,000	20,000 "
25,940,000	200,000 "

Three things are clear: (1) The British sovereign would have bought (in each case) precisely the same quantity of goods as in 1913; (2) the whole German currency would always have sufficed to buy the whole German output; (3) the German currency being uniformly and constantly adequate, the Germans would have been free to stop printing money at any time. How could such a rate have been fixed? Simply by advising the banks in advance how the currency would stand at given dates.

THE FAKED (DISPROPORTIONAL) RATE.

In 1923, the British paper currency was three paper pounds per sovereign of gold deposit. It took three paper pounds to make one sovereign. The bankers' rate was quoted for one paper pound; and that rate was always disproportional:—

Currency (millions)	Disproportional Rates of Exchange		Instead of Proportional Gold Pound Rate
	Paper Pound Rate	Gold Pound (sovereign) Rate	
2,594	200	600	20 marks
25,940	2,000	6,000	200 "
259,400	20,000	60,000	2,000 "
2,594,000	200,000	600,000	20,000 "
25,940,000	2,000,000	6,000,000	200,000 "

The figures are theoretical. Now, see how near the truth they are:

	Millions.
German gold-note currency multiplied by 10,000	25,940,000
German currency on July 7, 1923	20,241,783

	Marks.
Bankers' paper pound rate, July 7, 1923	1,000,000
Making gold pound (sovereign) rate	3,000,000
Proportional gold pound rate (under)...	200,000

showing that bankers' rates on July 7, 1923, were *fifteen times greater than they should have been.*

THE HITCH IN THE PRICES.

When the bankers' rate was fifteen times too big either:

(A) German prices could rise to a level proportional to the exchange rate, instead of remaining at the level proportional to the (then) German currency;

or:

(B) They could rise to a level lower than the one commanded by the exchange rate.

This is what took place: *German prices rose to a level about five times above the (then) proportional level which we see to have been three times lower than the level commanded by the exchange rate.* In other words, German prices were (about) five times too dear for the German and three times too cheap for the Englishman.

THE EFFECT ON BRITISH TRADE.

If the bankers' rate could have taken complete effect German prices would have been made fifteen

times higher than the (then) German currency warranted. *The effect on British trade would have been nil.* German competition would not then have been more terrible than in 1913.

But this would have made the (then) German currency *fifteen times too small* for its work. The currency holders struggled to keep up the value of the currency. The exchange rate fought to raise the level of prices. The exchange rate was the greater of the conflicting forces. But it could not entirely abolish the struggle.

The following figures give some idea of what took place:

	Sovereigns' worth.
Proportional buying power of gold pound (sovereign) in German goods	1
Proportional buying power of paper pound	0.3
What the Englishman got for his <i>paper</i> pound	1
Proportional buying power of one million marks (then the exchange rate)	5
What the German got for his million marks	1

otherwise put:
The increase in the buying power of the pound was 300 per cent.
The decrease in the buying power of the mark was 80 per cent.

At that time, several German houses could be got for £100. Thousands of British firms found German articles of every kind either one-half or one-third of their best prices. Such was the advantage of foreign currencies in German that Germany was full of foreigners living cheaply in that country. The American buyers simply bought up everything they could lay their hands on. And,—lest we forget—*this is what killed our trade!*

THE EFFECT ON GERMANY.

The effect on German trade was four-fold:

I.
If German prices did not rise to fifteen times their then normal level, it was because:

- (1) The German currency holders could not pay the advanced prices with a currency which had suddenly become too small;
- (2) The German exporters found it easier to leave the British importer part of the advantage than to get his fellow countrymen to agree to once to an impossible proposition.

Prices therefore (as said) rose to about five times their proportional level, reducing the total buying power of the German currency (in sovereigns' worth of goods or work) to *one-fifth of what it should have been.* In addition to which *four-fifths* of the German industrial output became unsaleable. Or, in figures:

	Sovereigns' worth.
Total German selling power (periodical)	129,700,000
Total buying power of Currency (20,241,783 millions) Divided by Exchange Rate (1,000,000)	20,241,783

Unsaleable goods and services (periodically renewable) 109,458,217
A situation monstrous for Germany, murderous for England.

II.
The buying power of the German currency being one fifth of the requisite figure, the currency deficit was four-fifths of the (then) requisite currency: it

could only have been made adequate if it could have been multiplied by five without a further fall in the rate of the mark:

If Industrial Output is—	Millions of Marks.
Sovereigns' Worth.	000,000,001
output will buy currency ...	000,000,001
129,700,000 output will need currency..	129,700,000
German currency, July 7, 1923.....	20,241,783

Currency deficit (millions)... 109,458,217
Increase of rate or increase of currency: there could be no other solution.

III.

Wages and private incomes are paid in currency and not in cheques. It was impossible to pay wages with one-fifth of the necessary quantity of money. Private incomes were sacrificed. People with private incomes sold their capital, and stood face to face with starvation. Workmen were wageless before half the week was gone. Hardships were forced upon three-quarters of the population. But the banks, the exporters, and the industrialists got the lands, buildings, and foreign credits and currency.

IV.

To get the international bankers to reduce the rates of the franc, the pound and the dollar was impossible; the mark was doomed. Germany took the only alternative open, and printed money as fast as possible. Not that the Germans expected to raise the rate of the mark in that way, but because they had to make an effort to live during the coming struggle. The faster they printed money the further the rate of the mark fell. When billions had to be given for a loaf of bread the mark was dead. The Rentenmark was invented for the home trade, and as it is not quoted by the banks, its value is immune from attack. The Germans have not invented a new currency for foreign affairs, because they know it will be killed by the bankers' faked rates, unless it is first approved of by the High Finance. They are waiting for their masters' permission.

BRITISH INTERESTS.

Until the rate of the pound has been dropped in nearly all foreign currencies to something like its proportional value (gold or industrial, the latter preferably), we shall keep our unemployed. And we shall keep them a hundred years if that is necessary.

Are British interests of such small value to Englishmen that there is not a soul to stand up for them? The British Press unanimously put down everything either to the increase of foreign currencies (instead of to their disproportional rates), and, in fact, they proved themselves to be either malignant agents of the High Finance or the most ignorant boobies that ever afflicted a people.

THE WONDERFUL DISCOVERY.

Behold, how great is Science!
Lo! Relativity
Has proved the De'il's as human
As God's nativity!

Has shown that Hindu learning
And Grecian asphodel
And European finance
Are known of Heaven and Hell!

But lest we fail to treasure
This value at its worth,
Remember Good and Evil
Are found likewise on Earth!

Who conquers in that tumult
Their never-ending strife,
Will make this Earth a Heaven
And give us Hell for life!

MORGAN TUD.

Labour Stripped, Naked!

By A. G. Crafter.

"The Prime Minister has devoted himself with all his intensity to create an atmosphere," but, adds the new editor of the new *Socialist Review*, "is it not time the farce ended, and we faced reality?"

The Imperialistic *Manchester Guardian*, on the other hand, in its eulogy of "Labour's Six Months in Office," is more generous. "Ministers," it says, "have fully maintained the credit of the State at home and abroad." At the same time, lest this should interfere with the *Guardian's* project of a coalition of Labour and Liberalism, it then quotes G. D. H. Cole: "The Labour movement lives on ready-made clothes, ideas imported from abroad, and is the pale wraith of a dead thought; the Communist Party is a failure; the I.L.P. is played out; the S.D.F. is a mere haven of refuge for Socialists ill at ease in other groups; the Fabian Society a mere table-rapping from the dead; and the Guild Socialists almost non-existent as an effective force." In other words, let us applaud Labour, if only because, through lack of will, courage, and creative thought, it has maintained everything save its own professed principles!

Really, of course, this applies to every party of the old order in this new world. For these are institutions, the formal expression of the spirit, principles, methods, and organisation of the old order; a system and civilisation which has ceased to function; and this, it follows, is indeed a new world. "The world," said J. L. Garvin last week, "is still disorganised, its trade stagnant, because presumed statesmen have refused to take risks for peace."

Gaining office by a fluke, a chance itself born of chaos, not "Labour," but the autocracy of Labour, under Mr. MacDonald, sought and obtained security of tenure by sacrificing its principles and taking the easy course of following the programme of their predecessors as outlined in the latter's King's Speech. We have, they said, "inherited these things." Overboard at once went their own principles, their own programme; and what was wrong with the world, and its remedy, no longer interested anyone in this new consolidated hierarchy of Lib-Lab-Tory Imperialism.

But what at root is wrong with civilisation must necessarily be reflected in the parts, the institutions, the parties, of this whole. It will be found, as I shall presently show, in the organisation of the Labour Party itself, in the I.L.P., and the rest of its affiliations.

"Is Labour," we have to ask ourselves, "a positive force, one capable of restoring order, reason, responsibility in government?" Bryce, Ferrero, indeed all informed, thinking men, affirm that none of those things exist in government to-day. Can a new order arise from the unchanged spirit of unchanged leaders of an unchanged institution? On the contrary, must not reform, regeneration, first start at home? That is to say, a new spirit, it seems, must in reason precede a new party, just as new institutions, in turn, must precede a new civilisation. In any case, the governing principle must be new.

Here for the nonce the present writer is dealing with the spiritual, moral side of this problem; just as the Credit Movement is an expression of the formal, material, economic side of the same thing. But let me safeguard myself from any charge of cant: this does not mean that the writer is excessively moral himself.

Labour in its organisation is not democratic; rather it is a confusion of ochlocracy and autocracy. Let me make this clear by quoting from three recent writings, from a politician, a trades unionist, and a non-party politician; in this way at the same time suggesting not only "What is wrong with the world?" but "A way out" as well.

(1) In a letter to the *New Leader*, July 25, "The Revolt of the Back Benchers," E. D. Morel, M.P., is concerned with the "jettisoning" of "convictions and pledges" by the Labour Government; "principle is to give place to expediency"; but "principles proclaimed for years cannot be abandoned in a night." This "is not an exceptional incident; it is typical" . . . "a real effort to instruct the public; there has been no such effort. . . There is a tendency to treat the Parliamentary Party as a tame cat." And so on. (Incidentally, Mr. Morel did not follow this up in his own journal published a few days later. An omission easily understood. His main concern, observe, was for a closed corporate junta, the "Parliamentary Party," not for the Party, still less for the latter's "tame cats.")

(2) A few days earlier, in the July *Labour Monthly*, the General Secretary of the Locomotive Engineers and Firemen, J. Bromley, declared that British trades unionism, the T.U.C., and the Labour Party, are all dominated by their officials; active minorities are crushed by a combination of officials and the inert; members are apathetic because crushed, powerless, and impotent; a small salaried autocratic junta in every case rules. Servants, instead of serving, rule. He would, therefore, give the rank and file more power and officials less, or even none. He would have them "secretaries," not autocrats. This would awaken members. At present they are "whipped to heel by officials," and pressed not forward but back. To this end, he would replace the present executives "for a period of years."

(3) Earlier still, in THE NEW AGE, May and June last, and again in a series in a Liberal daily, the *Worcester Echo*, June 30 to July 25, the same idea is extended to civilisation as a whole. This writer finds the same confusion between ochlocracy and democracy, resulting in the same political autocracy, but an autocracy now consciously subservient to an irresponsible plutocracy. The governing idea of the existing disorder, active in all, unconscious in most, was, and is, he finds, "duty." On the other hand, in the now universal demand, by groups and States, for "status and control," he interprets a new governing principle, that of "responsibility." In this case, government, together with the notions "loyalty" and "patriotism," would be based not as now upon "duty to" one's trade union, party, the, say, W.O., authority, the executive, the Government, the State, etc., but rather upon "responsibility for" these, in themselves, irresponsible things. The belligerent peoples in the great war, on both sides, all alike governed by second-rate minds and opportunists, all alike did their "duty" (not as they saw it, by order), all alike obeyed and were betrayed by "authority," and all alike themselves failed to express any real sense of social responsibility. Thus, the fundamental idea and error of the existing disorder is irresponsibility based on "duty," instead of, as sanity would suggest, duty based on moral and personal responsibility. Finally, besides making men, given this principle, then the supremacy of the credit power, the supremacy of things, the control of public credit in a few irresponsible private hands could not last a minute longer.

Reform must start at home. First in leaders—if necessary in new leaders. Then, second, in such a body as, say, the I.L.P. At present all parties are riven from top to bottom, all are in flux. These inevitably must and will be reborn. New parties are not needed. The old will become new. This, or die. Responsibility will supersede these autocracies of emasculated Labour forces. Officials will become like the permanent officials of the Services; their active executive elements, in turn, unsalaried. The people, the new electorate, now await just such a positive policy. And here the Social Credit Movement can act.

Contemporaries In Three Continents.

By C. M. Grieve.

II.—PEREZ HIRSCHBEIN.

It has been well said of Abraham Goldfaden that when, in 1908, he died in New York, he left behind an intellectual legacy that will, when all is said and done, consist of two or three stageworthy productions, numerous folk-songs, a fair variety of poems, and the historical distinction of having laid the foundations of a Yiddish drama that for too long remained without any worthy superstructure.

The first to write for the Jewish stage, Goldfaden impressed his form upon all his immediate successors, thus founding a distinct school. The rhyming couplets, the song and dance, the horse-play, the jester-type (containing points of resemblance to the Spanish *gracioso* as well as to the Elizabethan clown) may all be traced to those separate elements in the diversions of the Roumanian Jews which Goldfaden found ready to hand for combination. This pattern was to cling to the Yiddish stage with a grip that long stifled all genuine progress towards the legitimate drama.

The history of the Yiddish stage in New York—which became the centre of the Yiddish drama as a consequence of the Russian rescripts of 1883—is one which would interest H. R. Barbor; it was prostituted to an unconscionable commercialism. Goldfaden's arrival in America might have had salutary results; but he was entirely excluded from the stage there and left New York in disgust, being succeeded by Shaikewitsch, who could write a play "while you wait." As Isaac Goldberg says in his essays on "The Drama of Transition":—

"The various plays written by the other dramatists of the time are too much alike in their general unworthiness to require any special mention," but "with the arrival of Jacob Gordin in the early 'nineties came a breath of new life into the Yiddish stage. The time was ripe for reaction. The plays hitherto produced were of a type that was just declining, even from the Goldfaden pattern; there was no attempt to be true to life. As frequently happens, the pendulum, in the reaction, swung too far in the opposite direction, and Gordin's welcome introduction of realism often degenerated into a riot of sentimentalism and grotesquerie. On the whole, however, he exercised upon the stage an influence decidedly beneficial and initiated a new epoch."

Gordin (1853-1909) was born, like Gogol, at Mirgorod, and early acquired the soubriquet *Ivan der Beissende* (Ivan the Incisive.) Inter alia, in his busy literary and theatrical career he adapted or translated Shakespeare, Goethe, Hebbel, Ibsen, Hugo, Lessing, Schiller, Hauptmann, Gogol, Grillparzer, and Ostrovsky. His best plays are *Gott, Mensch, und Teufel*, a variant of *Faust*, and *Mirele Efras*. It has been said of Gordin that "he gives the primary dramatic impulse, but can rarely carry it through to the end." Even in *Mirele Efras*, the interest is sustained to the very last "only to leave out the identical scene for which the author has been preparing us with a cumulative power than renders the spectator almost breathless with anticipation. Will the mother be reconciled to those from whom she has been estranged? After all, who could hope to win her over have been sent, will she be able to resist the pleadings of her grandchild? This is the turning-point in Mirele's life; it is the great scene of the play—if only it had been written. But no; instead, we have it merely related to us that the grandchild has carried off victory where his elders failed."

Gordin was stultified by the conditions under which he had to work, and himself declared, "I want to say publicly that the Yiddish theatre will never be in a position to undergo normal development as long as the intellectual Jews continue to disregard a problem so important to the masses as the upbuilding of a literary, serious stage. The Yiddish theatre,

despite the hundreds of thousands who form its audiences cannot hope for the survival of a powerful, talented writer so long as the majority of its authors will, like me, be men who take to dramatic writing through accident, who write pieces only because they are forced to do so in order to make a living, and who, like me, are isolated and see about them only ignorance, jealousy, enmity, and rancour."

Nothing need be said of his successors, such as Isaac Web Perez and Sholom Aleikhem: Leon Kobrin—who, along with Libin, the short-story writer, dominated Yiddish letters in America for a whole generation—is the next name of consequence, and the first to treat of vital Jewish themes with notable artistry. He was responsible in 1912 for the organisation of the American Yiddish playwrights, some twenty in number, into the Jewish Playwrights' Association, the aim of which was "to make the dramatist independent—to make it possible for him to express himself freely as he feels, and not as the manager expects him to. The stories associated with the production of some of Kobrin's plays—his wrangles with "the commercial side"—are of more interest than the plays themselves, for, as Goldberg says, "Kobrin's highest achievement is not of the stage; it is a short idyll—this, of all things, from a writer deeply sensual and as capable of bare literary brutality as any disciple of Zola!—called *A Lithuanian Village*. It is one of the finest productions in the Yiddish tongue."

Solomon Asch is the first Yiddish dramatist, as such, of international consequence. His finest play, *The God of Vengeance*, was produced by Reinhardt in the Deutsches Theater, Berlin, in 1910, and was subsequently played all over Germany, Austria, Russia, Poland, Holland, Norway, Sweden, and Italy (where it had a wonderful run in 1916). One of the first critics writing in English to recognise Asch's great powers as a novelist and as a dramatist was H. L. Mencken. "None of his plays, however," says Goldberg, "has had much influence upon the Jewish drama, which for the most part plods along the road of mediocrity, quite impervious to the labours of the better spirits. The plain truth is that in the United States most cultured Jews seek the Gentile drama, and the average audience for the Yiddish product is—average!"

Then there is David Pinski—author, inter alia, of *The Treasure*, of which, as translated into English by Ludwig Lewisohn, Professor G. P. Baker, of Harvard, said "When I look about in English literature for a parallel to this play, I think of Ben Jonson's *Volpone*; there is in both plays something of the same mocking laughter, the same bitter recognition of the humour there may be in sordidness and horror"; *Mary Magdalene* (1910), a play in many respects superior to either Maeterlinck's or Heyse's; *The Dumb Messiah* (1911), and the five one-act plays written around the Lewisohn justly observed that their prose is "as subtly beautiful as Maeterlinck's or Yeats's; in passion and reality the Jewish playwright surpasses both." Pinski is unquestionably one of the master-dramatists of our age—"a full man, a rare spirit, an artist soul," as Goldberg has said.

And so we come to Perez Hirschbein—the latest in this little-known succession, a dramatist still in his early forties. "He has been much influenced by the French symbolists and mystics," says Goldberg, "as is attested by the dialogue of his plays and the beauty of his prose-poems, though often the dialogue is too tenuous for sustained action, and the beauty proves largely verbal. In many of his one-act plays, particularly, he is a dramatist in a secondary sense only." But, then, has not commercialism made these dramatists for the most part dramatists without a theatre—with little chance of being produced?

Hirschbein's output is very considerable. A complete edition of his plays, published in 1916 in five volumes, contained no fewer than twenty-six pieces.

Of the shorter ones, *In the Dark* (1906) is perhaps the finest from every point of view. His longer folk-plays such as *The Forsaken Nook* and *The Blacksmith's Daughter* are among the most wholesome and wholly delightful products of contemporary literature—full of sentiment that never degenerates into sentimentality, informed with a beautiful and spacious humour, and profoundly simple. "It was," as Goldberg says, "with *The Haunted Inn* that Hirschbein's name really cleared the barriers of the Yiddish milieu, and for a while attracted the attention of Gentile critics. This was the play with which the Jewish Art Theatre of New York, under the direction of Mr. Emmanuel Deicher, inaugurated its career in the autumn of 1919. By virtue of the striking production, and the acting of Mr. J. Ben-Ami in the rôle of Itsik, the drama was soon the talk, not only of the Yiddish reviewers, but also of the critics of the English Press, who forsook Broadway for Madison-avenue and Twenty-seventh-street, and long made the play the subject of enthusiastic comment."

Good though *The Haunted Inn* is, however, it is vastly inferior to such plays as *The Forsaken Nook*, and, though these may be long in winning the esteem which is their due, it is by these that Hirschbein will deserve to be remembered. They establish him, to my mind, as one of our most interesting and charming contemporaries.

Weiner, in 1899," says Goldberg, "questioned whether the Yiddish stage would last another ten years. That was twenty-five years ago. Since that date have been written the best dramas of the Jewish theatre. The prophecy, however, was founded upon certain facts of which Jewish writers themselves have not been slow to take cognisance. Even though the melting-pot should finally claim the Yiddish stage in this country (America), the Yiddish spirit will continue to express itself in the adopted tongue, as it has everywhere done; and it will add a distinct note to the literature of the United States, as have the labours of such diverse spirits as Abraham Kahn in fiction, Louis Untermeyer, and a group of others in poetry, Ludwig Lewisohn in criticism. To-day, it would seem, Yiddish literature is in the midst of a quasi-renaissance. Its future depends upon those influences that will force together or disintegrate the Jewish people. After all, history has a habit of poking fun at prophecies. What the future holds had best be left to her."

Ivybridge and Dolab Deressi.

A CONTRAST.

By Morton Tchelebi.

I.

Ye ancient hamlet of Ivybridge is what its picturesque name implies: a bridge mantled with immortal ivy, spanning a foaming hill torrent, singing and leaping, like a Mildmay salmon-trout, for ever fraying its remorseless way down past the great crags and boulders of red marl and limestone in the valley bed. Above the tree-tops, you get a glimpse here and there of railway arches that forcibly remind the Eastern traveller of the Aqueduct of Valens crossing the vale of the Lycus in distant Byzantium. Beyond, the rolling hills of Old Devon melting away into the mists of the land of the Cornish Johnnies and the Pirates of Penzance.

In hunting circles famous for the Dartmoor kennels, Ivybridge has been the rendezvous of many a joyous meet way back to those far-off days of Amyas Child, circa anno domini 1750, which bequeathed to the Friars of Buckfast his earthly goods and chattels by deed of testament writ in the blood of his favourite steed.

Economically, Ivybridge can boast of a fair-sized paper mill which during the war was busily employed in turning out portraits of Rex Imperator, and where

the best note paper of the Realm is made. But these are evil times, work is spasmodic, and for those mathematicians who appreciate the niceties of a corollary, Q.E.D., it is an axiom that the cessation of a water wheel, propelled by the aforesaid mirthful hill torrent, connotes the paralysis of economic life in Ivybridge the ancient. Which in other or more vulgar practice, means the reversion, as far as the village folk are concerned, to an alternative equation of exchange: I refer to the Labour Exchange, and to the electromotive force of fifteen bob a week.

In the meanwhile the staple agricultural interest of the soil is dying down, like an ember in the ash tray. Rich arable lands are lying fallow and growing nothing better than pasture. For the farm labourer, enticed away by vivid illustrations of cowboys and ranches and Red Indians, and other marvellous eikonismata revealed weekly in the local cinedrome (adults 1s., children half price), is migrating overseas—to pioneer with a toothpick and shovel in the Australasian Bush, and incidentally help the Commonwealth Government to ward off the Yellow Peril, now that the Singapore base has been abandoned.

Fore Street is the main thoroughfare of Ivybridge. Why it was so named I don't exactly know: possibly some Ancient Mariner called it Fore in lieu of a better term and the name stuck. But this is doubtful, because I failed to discover an Aft Street.

Chapel Road, where the motor-bus starts, is still the trysting place of the youth and beauty of the hamlet as it was in the days of Genesis, and Snuffy Ket with arms akimbo still yaps with Granfer Dandy Bill in the shade of the "Duke of Cornwall."

II.

Dolab Deressi, in far away Stambul, is eke a village nestling along the edges of a deep canyon, but the hill stream from the heights of Tatavla partakes more of the nature of a cloacum maximum for the drainage of Giaour Pera, and sheds its putrid tide into the sullen Golden Horn, which is anything but "golden."

There is not much fox-hunting in Dolab Deressi, and what beasts of prey prowls about in the open countryside are generally entertained with a certain amount of buckshot. Under the Old Turk regime, the sultans used to exercise with bow and arrow on the Ok Meidan meadow, noted during our occupation for a wireless station. Dolab Deressi, which means the Cupboard Valley, has been the scene of much more exciting events from a sporting view-point. For in addition to innumerable affairs wherein jealousy and intrigue as well as sectarian differences were the leit-motif of blood-curdling murders and massacres, the Young Turk army from Salonika peppered the last remnant of Hamidian mutineers from Dolab Deressi heights and dethroned Abdul the Damned.

Industrially there is little in Dolab Deressi beyond drying mackerel and milking goats. The fulcrum of economic life is the *café*, familiar to most of the lads who served out there, and where Turk and Greek alike while away the sunlit hours sipping coffee, playing tavlá and quarrelling, the proceedings being livened up now and then by the melody of a gorgeous hand organ, all gilt and gold and beautiful pictures, which is known as the *laterna*.

A Greek titled banker, whose name is an international byword in Continental politics and high finance, is a native of Dolab Deressi.

But of Fore Street, Aft Street, or Chapel Corner, there is none. In fact, the main thoroughfare is no thoroughfare at all, but a deep ravine, on either side of whose precipitous sides the most awful wood-built houses hang like the Sword of Damocles, and where the maidens loll all day at the open windows doing nothing.

And one thing also is lacking: a Labour Exchange. But for the lack of that Allah be praised!

The Theatre.

By H. R. Barbor.

ACTORS AND PUPPETS.

Two visits to London playhouses in the course of last week served in divers ways to re-impress me with the need of a focus for the drama in this country. A clamant need of the English stage is one or more institutions where experimental work or representative productions may be indulged in in a really professional manner, but untrammelled by the more acute conditions obtaining in the "commercial" theatre. A natural theatre of the kind advocated by Mr. Granville Barker (especially in his book "The Exemplary Theatre," perusal of which I hereby recommend with all the persuasion I can muster to all readers seriously interested in the problems of theatrical evolution) and exemplified lately in Mr. Summerville's Drama League Prize National Theatre Design exhibited at Wembley, would probably serve as a centre for such activity. With its dual theatres, one a large and the other a small house, with stages thoroughly equipped for the expeditious mounting of a big repertory of plays; with a permanent technical staff (decorators, carpenters, electricians, wardrobe, etc.), and with reasonable economic administration uncramped by profit-rent and cut-purse finance, a central institution of the theatre such as this would prove of untold value. It would prove advantageous not merely to the "high-brows," with whose self-opinionated spiritual Napoleonism we ordinary mortals need have no particular concern, but to a great mass of the public ready and willing to pay their money and take their recreational chance, and again to the prosperity and aesthetics of the professional theatre.

At present, with a very few notable exceptions, this experimental or tendential work is delegated to the play production societies. Most of these, though fulfilling their expressed ambitions more or less adequately, are circumscribed by those very ambitions. They seek moreover to make only a limited appeal, and the semi-private nature of their operations cannot draw all men unto them nor lift them up to the status and dignity which some such central institution of the drama as that above mentioned could easily achieve.

Human nature, aesthetic appreciation, and the chaos of theatrical economics being what they are, we can scarcely expect to find our best actors and dramatists proving their highest ability all of the time. At the moment, to cite but a few random examples, we have Mrs. Patrick Campbell on tour in "The Second Mrs. Tanqueray"; Mr. Matheson Lang has been lost to the standards of drama worthy of his unexcelled talents for many a moon; Miss Neilson Terry has declined to a third-rate and demodé drama for her latest venture; Sir Gerald du Maurier (what a Benedick!) is trifling with thick ears and tenuous sentimentalities; Mr. J. H. Roberts is involved in mystifications of no importance. And that brings me to the Queen's Theatre, whither Sir Alfred Butt and Mr. Basil Dean's hospitality beguiled me last week to view the whole form and pressure of the time as understood by Mr. Walter Hackett, author of "Pansy's Arabian Night." The resemblance between Mr. Hackett and the Lady Scheherazade is titular only. To revert to my former contention, the modern mystery play is not a matter of mystery and imagination and fostered by imaginative flights are engendered and fostered by the Yankee film magnates, whose brand of fancy cannot be reckoned as imagination within the meaning of the psychological act. This has nothing to do with the tale-teller of Bagdad, who certainly knew how to deal in imaginative wares (as does E. Branch Cabell and the author of "The Shaving of Shagpat," not to mention R. L. S.). But: *Autres temps, autres nuits*. Mr. Hackett's "damned

grotesques" certainly made no Arabesques. Pansy's night out was exciting enough, but it was Mr. Hackett's American nightmare and no Arab Pegasus that bore her away. The customary ingredients were ably blended by the author and wisely administered by the producer. But the success of the entertainment rested entirely with the actors—as usual.

Chief among these is Mr. J. H. Roberts, whose performance in this piece will probably place him for once and always in the very front rank of English comedians. Mr. Roberts belongs to the school of comic histrions that is peculiarly British. Like his great predecessor Hawtrey, and his contemporary Mr. Wakefield, he does not rely upon mannerisms or idiosyncratic trickery to produce his effects. He builds up a character with all the care of a snapper-up of unconsidered trifles, making those trifles considerable and relevant to the purpose in hand. Like Hawtrey's, too, his is the art that conceals art. His technique is as accurate as it is unobtrusive, and by its means he welds and fashions the varia of his author's and his own intention into so complex and complete an artistic whole that the casual onlooker, unaware of the power and pressure of the player's histrionic device, mistakes this for "naturalness." As a matter of fact, the acting of Mr. Roberts is as far removed from that execrable histrionic method known as naturalistic acting (and recognisable as under-acting) as the virtuosity of, say, Mr. Arthur Bouchier and Mr. Oscar Asche, or Miss Marie Tempest, is from over-acting. His performance in this piece should not be missed by any amateur of the player's craft. He was on the stage throughout the piece, the whole action of which centred around or depended upon him, and not for a moment throughout the two hours' traffic did he make a false movement or release his unflinching grasp upon the mood of the moment or the attention of the house.

His efforts to make presentable bricks with a minimum of straw were admirably supported by other members of a remarkable cast. Miss Mary Clare, after the slightest of hesitation at the beginning, ensconced herself firmly as the ex-saloon "vamp" turned to more serious crime. Her loveliness and an added strangeness that is the creation of her mind and not of appearance, were a great asset to the producer. Mr. Malcolm Keen has a most dominating presence at all times, and, moreover, the intelligence to use every cubit of it. His study of the mysterious and awesome butler was suitably impressive. Mr. Edward Rigby, complete with nickel-plated knife character-actor, the very spirit of Chink villainy. Mr. Campbell Gullan, Mr. J. C. Aubrey, and Mr. Henry Wenman contributed subtle and finished portrayals of crook types as various as they were scandalous. Mr. Clifford Mollison, whose previous vivid work I have watched with unflinching interest, so far succeeded in his characterisation of the would-be defaulter from the bank as to leave me completely in the dark concerning his identity until I referred to my programme—no mean feat for this young actor.

To say that Pansy of the title (Miss Marion Lorne) did not rival the outstanding abilities of these players is not to make a very serious imputation against her own. She "played up" and kept her characterisation in the key of great good humour and high spirits which typified all the acting. I do not find her well cast, however, and the success that she earned was hard-earned and effortsome. Does the author's wife, represent a vague apologia from Mr. Dean for her appearance in a somewhat unsuitable rôle? I have nothing to add for or against Miss Cecily Byrne.

The other performance that took me from a

sodden Kent to summer-ruined London last week was that of the marionettes of the Teatro dei Piccoli at the Garrick. This was in the nature of a return visit since the installation of Dr. Podrecca's little people of wood and string at this house, and my eighth since their first appearance at the Scala nearly a year ago. This, again, is a show which no amateur of the theatre should miss, for the little people provide a refutation of Mr. Gordon Craig's theory of the dispensability of the actor and at the same time serve as a verification of Mr. Craig's other and major criticism of the theatre. They demonstrate undeniably the value of the pre-eminence of the producer. They afford a risible parody of "style" and affectations which as practised by certain players of flesh and blood, pass for talent. My favourite, Bil-Bol-Boul, the nigger rope artist, for example, caricatures the volcanic uncontrolled energy of certain actors, but Bil's *elan* is past human power, and yet in a strange way human, all-too-human. Dr. Podrecca's clever skit on the "concert party" or drawing room music hall turn, and the musical comedy satire "Flirting," are inimitable caricatures of a form of theatre art more sinned against than sinful. And "Salome," the negro dancing wench, just strips jazz mentality down to its sex-pathological quintessence. The charm, skill, and excellent musical arrangement of the various items can only be mentioned with a recommendation to my readers who have not yet done so to taste and try a matinée at the Garrick before it is too late, and we are robbed of a type of entertainment which should certainly find a permanent place in the English theatre.

Our National Playhouse, municipal or endowed theatre, would certainly find such a place for exhibitions of puppetry as well as provide us with an occasional opportunity of seeing as fine a collection of actors as are now appearing at the Queen's in works which did more justice to the player's art and the steadily growing body of more critical playgoers.

Owing to the failure of "Low Tide" to attract, the Everyman Theatre revives "The Man of Destiny" this week, with Mr. Claude Rains in the part of Napoleon. I referred last week to this notable performance, and make no apology for thus advertising the appearance of a fine actor in a fine part. The weather can afford no excuse for it is easier to reach the Hampstead Theatre dry, despite August, than to get to any house in Shaftesbury-avenue or the Strand.

FEAR.

"Fear?" said the Christian. "Do I admit to Fear? No: God is good—all his works are good, and therefore fear I nothing, nothing. . . ."

But in his library, late at night, he feared. He feared his books, his work, his room: he feared himself. He feared his fearlessness. "I doubt? Never. God is good, and therefore fear I nothing, nothing. . . ."

But yet he feared: he doubted, feared, and fell.

THE SNAKE.

There was a man on the West Coast whose wife had more than the common terror of reptiles. One day he killed a large snake, and put the corpse in her room to accustom her to the sight. Even in her husband's company she was almost prostrate with fear of the huge cold coils. Being a hard man, he locked her in alone awhile, and went away. He wished to cure her stupidity.

As a naturalist, he should have known better than to leave a little window unbarred. When he returned he found how quickly comes the vengeance of the snake's mate. His wife's body was almost cold. O. M. W. W.

BOOKS RECEIVED.

The Green Altar. By Miriam Alexander. (Melrose. 7s. 6d. net.)

Rosemary. Collected and Compiled by F. de Burgh and Walter Stoneman. (Sampson Low, Marston and Co. 7s. 6d. net.)

Is Unemployment Inevitable? (Macmillan. 8s. 6d. net.)

LETTERS TO THE EDITOR.

WHAT IS "MONEY"?

Sir,—I do not wish to be captious, but I do think that the present ambiguous use of financial terms makes it almost impossible for the many thousands of semi-educated people who are now beginning to take an interest in the financial question, to get any sort of clear understanding of it. There are many words which dodge about from meaning to meaning, taking refuge now behind this significance, now behind that—like Red Indians fighting behind trees—words such as "money," "currency," "inflation," "exchange," "par," and others. But perhaps "money" is the most mischievous word of all, because the general public imagines that it knows the meaning of it. And I cannot help thinking that the uneducated person's idea of the meaning of money is the right one. For, to the ordinary unfinancial mind, money and legal tender mean the same thing. And that this is the true original meaning is shown by the fact that the word was first used for the coinage produced in the temple of Juno Monere, which was in fact a Government Mint. Money meant coin which was guaranteed by the Government to be of good value. And it was trusted for no other reason than that the Government was held to be trustworthy, exactly in the same way as our Mint-coined golden sovereigns were relied upon for value the world over. Now, it is natural that the bankers and financiers should want to shelter themselves under the Government umbrella and to get the general public to believe that their "credit-coinage," if not actually Government-guaranteed, is as good as Government-guaranteed, because of the closeness of their connection with the Government. The general manager of one of the big banks actually wrote in (I think) *Time and Tide* that the "Big Five" could not smash because the Government would come to their rescue in case of necessity. I am sure that hundreds of thousands of people believe that Bank of England notes are Government-guaranteed, and it is because of this that they pass so readily. The Treasury notes are accepted without hesitation solely because we trust the honesty of our Government and are content to leave our financial protection in its hands. So that to use the word "money" to cover all promise-to-pay pieces of paper issued by banks—and that bankers are trying hard to establish this question-begging terminology was shown by Mr. McKenna's famous speech—is to insidiously lead the people on from confidence in the Government to confidence in banks.

In my letter to you I was not challenging your general proposition, but only the particular sentence which, read by itself, would make it appear that bank notes and bank credits are entitled to be called money, a proposition I cannot agree with and which I do not think you mean to assert.

Yours faithfully,

HAROLD W. H. HELBY.

[We sympathise with our correspondent, but plead "guilty" to dodging from meaning to meaning. As evidence, we offer the very sentence that he quotes against us, "Anyone who describes money as 'pieces of paper representing claims' is . . . saying something creative." Did we not thereby do exactly what Mr. Helby complains that we did not do, namely, define money as pieces of paper representing claims? In fact, we got the idea over to him so clearly that he is able to say in his above letter that he does not agree with our proposition. As to our choice of terms, we can only try to be consistent with ourselves. We have always used that of "Money" in its all-comprehensive sense. We do not agree that it is now used popularly in its limited sense of currency. The newspapers talk every day about "Lending money to Germany," "Where's the money to come from," "Monetary policy," "Sunk a lot of money," and so on, yet it does not occur to the average reader to think only of £1 notes when he sees the word. For the rest, we grant that in expository writing, care should be given to

exact definition, but surely Mr. Helby would not forbid us the help of our context when we are commenting on public affairs.—Ed.]

"THE WITNESS."

Sir,—I notice in your issue of August 7 a review of a book, "The Witness." As one who has read it with much interest, may I be permitted to say that I scarcely think it quite fair. First, on a point of actual accuracy. From the Foreword it is obvious that "Tiny" was only 15½ when he made the remark mentioned in the review and 17½ at his death. Your reviewer complains that though "Tiny" purports to be in touch with leading scientists he contributes nothing new. Surely one would hardly expect a treatise on atomic physics from a boy who left school at 15 and spent the remainder of his life in military service, forgetting what he did know. It is the essential advantage of the book that the language is simple and characteristic of what one would expect from the nature of the writer. With regard to the new race in the United States I am informed that the Washington Bureau of Ethnology states that a totally new type of head is developing in America.

I do not wish to trespass on the difficult subject of alleged communication with deceased persons, but I do not think the review does quite justice to a gallant soldier.

W. R. C. COODE ADAMS, M.A.

[The question of what is a "fair" review of a book of this character depends entirely upon the outlook of the reader. Many people will be quite satisfied if it affords evidence of the credibility of "survival" and "communication." Others will not be satisfied unless the matters communicated are worth communicating. One need not expect from "Tiny" a treatise on atomic physics, but if he is, as is stated, a transmitter of messages, it is not clear how his own immaturity in earthly life should prevent his giving us such a treatise. The implied indictment is not of "Tiny," but of his instructors.—YOUR REVIEWER.]

THE SINGLE TAX.

Sir,—I hesitate to chip in when a controversy is going along so swimmingly, but I think the secretary of the Liverpool League for the Taxation of Land Values should be thanked for the light he throws on Henry George's presuppositions. Those whose study of the Single Tax has been confined to that land reformer's bible, "Progress and Poverty," and a few companion volumes, will welcome the news that the great champion of social justice had misgivings about launching the Taxation of Land Values until the way had been cleared of obstacles of a financial character.

Mr. F. R. Jones's assurance that the Land Values Group in the present Parliament will be able to prevent currency movements is not shared by Credit Socializers, who, as regards getting things done, do not display the buoyant optimism of the ostrich.

If the Single Taxers, in their simplicity, and with an overweening abhorrence of "monkeying," only desire for their reform a simple regulation of the currency, what do they find wrong with the Douglas Scheme? Not only does the D.S. avoid inflation and deflation, but it secures the advantages of both. Whether it is simple or not may remain a matter of opinion.

As for Sydney and Johannesburg as examples of Single Tax operation, it would be interesting to know whether the occult thrust of wages towards the level of subsistence has since been mitigated in those towns, and, if so, whether causes other than the Land Tax share or claim the possibly resultant odium of employers.

I have all along contended that Social Credit and Land Tax policies are not incompatibles, and it is a good sign that the present-day Single Taxers, per Mr. F. R. Jones, are showing an inclination to put first things first—as did their prophet before them. JO. S.

THE SOCIAL CREDIT MOVEMENT

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 * No group yet formed, but correspondence invited.
 Acting Secretary of the Central (London) Committee:
 ARTHUR BRENTON, 70, HIGH HOLBORN, W.C.1.
- SOUTH AFRICA.—A. Stedman, Hon. Sec., South Africa
 Social Credit Movement, P.O. Box 37, Johannesburg.
 CANADA.—The United Farmers of Alberta, of Loughheed
 Building, Calgary, Alberta, are willing to accept subscrip-
 tions for THE NEW AGE, and may sometimes be able to
 put inquirers into touch with people interested in the
 Social Credit Proposals. In this last connection the Editor
 of the Ottawa "Citizen," Ottawa, would doubtless advise
 correspondents.

DIRECTORY

Names and addresses of Social Credit Advocates or Adherents
 who are willing to (*) answer queries on the subject or who would
 be pleased to (+) exchange views with others similarly interested.
 (This list is supplementary to that of the local Secretaries of the
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- † BROOM, E. J., 70, Marylands-road, Paddington, W.9.
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