

# THE NEW AGE

INCORPORATING "CREDIT POWER"

A WEEKLY REVIEW OF POLITICS, LITERATURE, AND ART

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## NOTES OF THE WEEK.

If the mock warfare in the air conducted over London last week had been in earnest, much of the City, its environs, and the surrounding counties would have been devastated. The one immediate lesson apparent to everybody is that an air-raid must achieve its object. Whether the persons and machines which form its instruments escape or are brought down, the damage cannot be prevented. A machine containing poison-gas bombs does its work whether it does any more or not. Technically, the reports given of the raids appear optimistic in over-estimating the service in defence which anti-aircraft guns are capable of giving. One successful raid with poison-gas bombs would put the land anti-aircraft defences—except the headquarters in its underground gas-and-explosive-proof chamber—out of action. What applies to London applies to other European capitals and cities. With the known weapons of warfare any of them, in spite of all known methods of defence, could be wiped out by poisoning and suffocation in a week. The aggressive instruments of war, designed either late in the last war—Britain had made full preparations for bombing Berlin had made full preparations for bombing Berlin civilians when the war ended—or since, have been developed far more rapidly than those of defence. The whole of war-policy has also been developed under the logic of the fact that soldiers in the line are entirely dependent on the producers behind the line and in the home countries.

Under the force of the technical lesson in war none of the advisers of the Government and the public, so far as we are aware, has any more to say on the problem of defence. It is out of the question. In the panic of the moment, with the duty of giving some counsel, politicians, journalists, and experts, have to the present found two lines of action. General Groves and others addicted to military logic advise the strategy of concentrating on attack.

"The most effective form of defence in air-warfare is the aerial counter-offensive against the enemy's territory."

This would no doubt be a lesson worth the expense, terror, and sleeplessness of the past week, but for two not inconsiderable facts. First, it merely reduces war to an affray similar to that of the Kilkenny cats. Second, London, by reason of its proximity to the coast and the magnificent waterway to guide the attackers, is possibly a degree more vulnerable than any other capital in Europe. In air-war all that has contributed geographically to London's greatness helps towards its destruction. A further corollary of the adoption of the soldier's policy would be that all pre-war strategy and diplomacy in the future would be directed to one object, namely, to manœuvring the other groups of nations to give an excuse for the first blow; the excuse being required, of course, to prevent still other groups from striking a relatively first blow of retaliation. Mr. Lloyd George has sufficiently answered the soldier's policy, though he may be accepting it in a roundabout way by favouring greatly increased development of civilian machines for use in war. He states, as THE NEW AGE has stated these fifteen years, that an arm of attack cannot be developed for parade only. Sooner or later it will be forced by the paymasters to earn its keep by shutting down somebody's factories.

The second line of action is prayer, which, among others, the *Star* and the *Daily News* adopt—morning and evening prayer. The arguments used "to promote a League of Nations against the horrors of ordinary warfare apply with ten-fold force against this new method of mass destruction of civilian populations, and the proper line of research is in the direction of making air warfare impossible." Mr. Lloyd George, by the way, expressed similar sentiments in an interview. If the object of the air manoeuvres over London had been to teach all Europe the moral of the futility of war for all normal folks' sake, well and good for a beginning. When we find the moralists, however, protesting against air-warfare in particular, we ask what on earth their object is. Do they wish to prolong the next war to the extent of four years? As there is no more virtue in a long war



with slow killing, torture, and destruction, than in a short one with relatively rapid extinction, it is certain that if war there is to be, it will be with all the resources that science and applied science can command. No nation in a crisis, no financial group backing nations in a crisis, would lose the amount invested in a war for the sake of preserving an international convention not to use poison-gas or aeroplanes. Let all moralists understand. There will be civilian flying, for reasons of time and convenience; there will be, therefore, if war at all, air-war, with all discoverable means of attack on the real soldiers, including the producers who make aeroplanes, and journalists who preserve morale. War has to be war indeed for moralists to realise its canons.

The newspaper panic of the week arouses the more cynicism in view of the previous attitude to the Kellogg Pact. Scientists and mystics agree that there are no coincidences, and it would be interesting to speculate on the unanimity with which newspaper-makers have been inspired in laying out their matter. From the *Observer* of Sunday to *The Times* of Friday reports of the air operations over London have appeared on the same page and in adjacent columns with news of the progress of the Kellogg peace negotiations. Reports of the air-warfare, significantly, have had pride of place. Mr. Coolidge, like the ubiquitous Mr. Emil Ludwig, is not only an optimist as regards the future, he is an optimist as regards the past:—

"Had an agreement of this (Kellogg) kind been in existence in 1914 there is every reason to suppose it would have saved the situation . . ."

In the same speech, however, while boasting of the great nations all being about to agree not to start an aggressive war, Mr. Coolidge spoke of the importance of developing defence. While nobody is to attack anyone, everyone goes on developing defence by multiplying research and manufacture of new and ever more destructive weapons of attack.

Mr. Coolidge knows as well as the readers of THE NEW AGE that no party in the 1914-1918 war can be persuaded yet that it fought an aggressive war. Every nation fought for its own self-preservation or for some smaller nation's integrity. Not all the book-shelves in America will serve to accommodate the volumes which will have accumulated before the investigation of the causes of the European War are sifted. In 1914 Britain believed itself pacifist because it wanted to avoid war, though Britain thought the time unfavourable rather than the object discreditable. Britain feared the rapidly developing Germany. As long as Germany could be kept in the second place, Britain would have remained passively pacifist, for the reason that no country which holds the position of top-dog desires any method of war but the economic war she is obviously winning. To-day America is aggressive without knowing it. If she does know it she is as perfidious in her diplomacy as ever Albion was. Every act America takes is an act of repression on other nations. Her debt settlements, her transactions in various commodities, her export trade policy—witness the notes on her Chinese policy in this review—are aggressive. During the present week she has negotiated a treaty with Egypt in favour of arbitration. In spite of its American affiliations *The Times* has referred on successive days to the diplomatic risk of the United States making a direct treaty with Egypt without reference to Britain, in view of the peculiar (financial not stated) relations between Britain and Egypt. On Friday *The Times* correspondent closed his despatch:—

"Behind these assertions (that Egypt has sovereign status, and the specific exception from the scope of

the treaty of questions involving a third party) there is unquestionably the feeling that the British Government may not fully agree."

The British Government will no doubt swallow its pride on this as on other matters, but it will remember. It will recall some day that America has a habit of behaving like the elder brother towards all the other nations of the world. Twenty years ago Britain did the same thing. To-day it is America.

Lord Beaverbrook beautifully arranged to begin the air-maneuvres week with an article of nearly a whole page in extent, in which Mr. Emil Ludwig gave all the romantic reasons why there will be no further European upheaval. First, the memory of the last is too clear yet; second, the exhaustion caused by the last was too great for recovery in one life-time. Third, the peace-treaties will be revised rationally. Fourth, neither bankers nor industrialists foresee certain advantage from a war. Fifth, many causes of the world-war have vanished, and others have dwindled; nowadays war is not for territory, but bloodless between big trusts, e.g., oil. In addition,

"the German Socialists are the guarantors of peace for all Europe. They are hostile to everything tending to bring about war."

And, after two paragraphs of rhetorical idealism, "Most important of all, the youth of Europe has become imbued with a feeling of ambition, which, though new to Europeans, is a commonplace among Americans, any one of whom may become President . . . ability must govern."

This is a fair sample of the democratic optimism with which emotional intellectuals with a huge following clog the brains of modern Europe, preferably of the youth of modern Europe. Mr. Ludwig makes no reference to the underlying causes of war as they have been set down by students for a generation; and, like peace crusaders in general, is inspired by hope, not by faith. Consider the pathetic intellectual state of a great popular philosopher who is reduced to Mr. Wells's level of thinking that war will not happen again because bankers and industrialists cannot see a certain profit in it. Had that argument mattered, rather than the undercurrent of consequences which policy entails, it would have applied in 1914 on Mr. Norman Angell's demonstration. War may any day be a profitable thing for somebody, in that victory, or at least avoidance of defeat, might result in the cancellation of a block of international indebtedness—in the absence of other ways of doing so that no Government shows a sign of seeing. As for the German Socialists, they have little option but to guarantee peace inasmuch as they are under compulsory disarmament and partly under military occupation. Even Mr. Ludwig's democracy is half-a-century out of date. The drummer with the wool for a general's uniform in his knapsack, or every school-boy with the key of White House in his satchel, is an idea of democracy remembered only by the mentally-senile and respected only by the most naive of children. If European youth will swallow that kind of political philosophy it will certainly be amenable for use as soldiers the moment the preliminary "pre-campaign" begins.

In the years immediately preceding the 1914-1918 war Germany was uneasy because in relation to assured supplies of raw materials she was over-capitalised. She had machinery and investment liabilities in excess of what she could profitably employ. Her diplomatic and financio-military tactics in the Balkans were designed to seal control of adequate supplies by attaining hegemony over the whole route to Asia Minor. As British diplomats were aware, if Germany could secure raw materials Britain's hold on the world-market would

at once become precarious; indeed, at the observed rate of progress in cost-reduction by German industry, Britain's economic suzerainty of the world must soon come to an end. Whether the inter-group struggle be for territory as virgin-market, as it once was, or, as it later became, for territory for raw material, or, as at present, for such financial control of the market as will influence it in favour of buying from one particular group, the result is the same. Considered strictly in relation to capacity to meet the effective demand of the world-market, modern industrial countries are over-capitalised, and Britain is one of the nations feeling the strain. America and Germany feel it also, but America, for special reasons, most lightly at the moment. This sufficiently explains why America stands for world-peace. Her policy is the reflex of her belief that she can retain command of the world-market, in the fight for which the other nations are handicapped by outstanding war-debts. The role of the peace-maker is once more to remain top-dog by restricting the war to the economic-financial field. As it is admitted by every newspaper in Europe that there is not enough world-market to go round, and the penalty for not winning it is unemployment, starvation, and decline, it follows that the basic cause of war remains in operation until the marketing of the world's produce is re-organised.

The problem of industrialists is to recover costs, the penalty for failure being bankruptcy. Thus the industrial system runs only so long as the purchasing-power issued against costs to be recovered at some future date exceeds the costs being collected against issues in the past. Without price-control this is precisely inflation, which necessitates deflation. During deflation, when past costs mature for collection at a greater rate than new purchasing-power is distributed, the uncollectability of a portion of cost is obvious. This uncollectable cost is written off by industry through the mechanism of bankruptcy. Bankruptcy, in short, is the machinery of the present financial system for cancelling that portion of cost which cannot be collected in price. That it is a bad system, since it helps nobody and confines its damage to individuals, is, of course, obvious. But the present thesis is that what applies to individual firms within a nation applies equally to individual nations in the world system. Moreover, as the machine continually increases its proportionate contribution, compared with hand-labour, to production, the ratio of uncollectable to collectable cost ceaselessly rises. The object of a "favourable balance of trade" is to collect abroad—if only in the form of acknowledgment of debt, since that is a credit instrument—that proportion of total cost which cannot be collected at home. That goods must finally be exchanged for goods is common-sense, but it is not the law of the present financial system. For any nation to prosper as the system is it must exchange some of its produce for acknowledgment of debt alone. So much is recognised, if only instinctively, by politicians and economists; instead of dealing with its absurdity, however, they continue to urge on the fight for a "favourable balance." A favourable balance for everybody or ruin for somebody is the cause of war, which no panicked stricken commentator on the air manœuvres has mentioned or realised.

When a nation fails to obtain by competition abroad the portion of its production costs which is uncollectable for all countries in the total market, the sources of its credit dry up. It begins to borrow abroad by pawning its future taxation or its railroads in order to re-capitalise, and parts with a corresponding degree of its political sovereignty. It adds, incidentally, the task of collecting interest on

the loans to that of collecting the total costs of its products in the world-market. In consequence, its standard of life declines. Indicate a country with a favourable balance of trade, there also automatically is the centre of a world-group of Finance whose tendency is towards control of the whole world's opinion, institutions, and industry. Indicate a country with an unfavourable balance of trade, and there also automatically will be found a nationalist group of financiers in danger of losing power; which can repress its own people only to a certain point, at which it must decide to make war abroad. As long as these economic lessons remain unlearned the moral futility of war can be no more than a frontage of good-will, behind which the approach of war is hidden from the workers, shop-assistants, and clerks, who will, at the right moment, be roused to indignation by idealist reasons for fighting it. Since at some stage or another the accumulation of uncollectable costs must be cancelled, the only known international mechanism, pending the regulation of prices and the issue of consumer-dividend, must be applied. That mechanism is war. To restore the cancelled costs—in the form of debt for reparation—in the peace treaty is to render the next war not a question of moral improvement or deterioration, but a physical certainty.

At present, then, Europe is internally disorganised by the existence of large quantities of outstanding and uncollectable costs, Britain appearing as villain because she is an internal creditor. Russia, having cancelled a part of other nations' costs by repudiation, is hated and envied at the same time. Hence the vacillation of policy in regard to Russia betrayed by other European countries. In addition to this, Europe as a whole is under financial invasion by the United States, and financial invasion is as crippling as invasion by aeroplanes. Under what is called financial penetration purchasing-power has to be exported for cancellation in the banks of other countries. To permit financial penetration and limit the use of aeroplanes, poison-gas, or battleships, is as nonsensical as permitting death-rays while strictly limiting the use of knuckle-dusters.

The *Midland Bank Review* once more calls for a full inquiry into British credit policy and the Gold Standard. In reply, the *Observer* can understand the general disinclination of the nations of the world to re-open the whole subject.

"It was voiced by Mr. Churchill at the time of the Currency Bill, and still remains."

There is no objection, however, to the *Midland Bank* arranging a private inquiry, says the critic:—

"The theory and practice of credit, both national and international, is in no way a closed book."

If "private," and "provided the right men were interested" the "result of such an enquiry would be of the utmost value." These quotations are obviously not intended as humour by the original writer. He is not designedly dressing Mr. McKenna in the emperor's clothes, borrowed from Hans Andersen. He does not realise that Mr. McKenna wants an enquiry not for him to find something out, but to teach the things he has found out to the Bank of England and the Government. The *Midland Bank Review* and policy is, for the readers of THE NEW AGE, however, not a measure of the dissemination of enlightenment so much as a sign of the tightening rope. The *Midland Bank* is that of Finance and the Government. The industrial bank is one step nearer realities. Its policy is certain to be one which would make it easier to accommodate its industrial clients. Its view is a banker-industrial view, and, consequently, a restricted view. Mr. Keynes



naturally falls into line as one whose standpoint is primarily industrial. Neither party is as yet consumer-conscious, or, shall we say, more than slightly consumer-conscious. Once the person acquainted with the technique of credit becomes consumer-conscious as well as producer-conscious only Social Credit can meet the needs of the community as he sees them.

Irrigation projects of great importance to the real credit of Egypt have just been discussed between Ibrahim Bey Fahmi, the Minister of Public Works, and the Foreign Office. The expenditure involved is trifling—a few millions only—as national schemes go. When the plans are carried out, however, the cultivated area of Egypt will be increased from five and a half million to seven and a half million acres, yielding two or three crops a year. These irrigation schemes will require some time to complete. By the time they are in productive operation not a pound of the purchasing-power issued to consumers in the course of building the dams, etc., will still be held by consumers. If the cost of production is so low that the world price of the rice or cotton—or whatever is grown—is reduced cultivators elsewhere will be forced out of an unremunerative occupation to advertise Egyptian goods. What is useful and remunerative now would still be useful, no doubt, then; but because it will not be able to get its costs back at the revised world-price, it will cease to be produced. Possibly, its producers, instead of joining the salesman class, will become authors. There will still be a market for Malthusian literature.

Referring to the census of road traffic last week, a Ministry of Transport official stated that its object

“was to discover all the weak points, the most used roads, and corners and cross roads which may require widening.”

A scheme, as is well known, is also afoot to remove Charing Cross station from the north to the south of the Thames, and to make a new road-bridge together with improved embankments, at a cost of over twelve millions. There are numerous indications of slightly greater freedom of credit for public works. This coincides exactly with Mr. Keynes's propaganda to this end in Lord Beaverbrook's *Evening Standard*, which, we observe, keeps interest alive by references to Mr. Keynes's proposals in its gossip column, where the *Midland Bank Review* is also mentioned. If this slightly greater freedom produces any considerable effect on the unemployment situation it will, of course, be adopted as an election cry by the party which Lord Beaverbrook and Mr. Keynes decide to support. Now that the Bank of England has obtained the Currency Bill it may be comparatively indifferent as to whether Liberal or Conservative is the label of the next political office-holders. At present it appears to be supporting all parties as though to keep its choice open to the last moment.

At La Queue-les-Yvelines, in Brittany, M. Justin Christofleau has for some time insisted that electric currents applied with suitable skill and knowledge to the soil can be used in place of manure or chemical fertilisers. France has not shown much interest in the invention, which has, however, been taken up in China and Australia. The machinery is simple, no more disturbance of the soil being required, according to the *Observer's* Paris correspondent, than the burying of a number of wires eighteen inches deep, and directed from north to south. It is several years since Mr. Arthur E. Baines published his investigation into the “electricity of germination.” That there is a place for electricity as a fertiliser and a crop-

increaser is now certain, and research enabling man to feed the soil with electricity without over-stimulating it will inevitably proceed, all the wishes of dealers and financiers in fertilisers, mineral, animal, and synthetic, notwithstanding. It is equally certain, however, that without sanity in place of superstition on the problem of consumption the benefits of increased knowledge for enjoyment and leisure cannot be reaped. If manna fell from Heaven in London it would ruin people in Wisbech and Winnipeg; and our counsellors would solemnly open their books on economics prior to writing on the death certificates of the surplus workers: Act of God.

### Bankers' "Resources."

Every City Editor is obliged to be an apologist, for the financial system, or, if he permit himself some criticism, must measure it out circumspectly. For, not only are these journalists subject to the same risk of disemployment as rests upon the miner or cotton-operative, but the newspaper concerns which employ them are themselves dependent upon the favour of Threadneedle Street for their continued existence as solvent undertakings. So the City Editor has to speak less than he knows and urge less than he feels. His orbit of criticism at present seems to be confined to the choice whether he will be a whole-hearted or half-hearted supporter of the deflationist policy that has been imposed on the country since 1920. The reason why one or two of them here and there are showing enterprise in criticism is because the high-financial experts themselves are in a mood of uncertainty. They are not agreed on the best thing to do next. Sooner or later they must make a decision, and when that happens they will take great care to disseminate the impression that their altered policy has been imposed on them by “instructed public opinion.” The “instruction” has been going on for a considerable time already. Mr. McKenna, and more recently Fleet Street to flown new kites, and have allowed Fleet Street to hold the strings. If the policy indicated by this kite-flying should turn out to be one of judiciously relaxing the rigours of past deflation—resorting to a slight injection of new credit—it will be ostensibly carried out in deference to the “will of the nation,” on no other ground than that a few writers on finance have been emboldened to advocate it in their “City articles.” It is the old political game of conjuring up the appearance of a public demand for a pre-determined secret policy.

To ensure that the illusion is artistically produced, the kite-controversy must not be entirely one-sided. The bankers, even when unanimously decided on a modification of policy, will have a use for the last-ditch journalist; for he, in his uncompromising defence of the most rigid deflation, composes a background against which the present timid and tentative demands for a little credit-expansion appear as a daring innovation. Moreover, the mere staging of a controversy at all on the subject of credit-policy keeps hope alive among the uninitiated; and so long as hope is not extinguished the financiers will be left to manage their system on their chosen fundamental principles—which is what they really desire. So long as nothing is revealed as to the method by which credit-expansion can be made safe for the consumer, the bankers do not object to allowing the credit-controversy to run its course. Credit-reform, in the absence of costing-reform, is a topic of no more practical consequence than, for instance, the Government's policy of rate-relief or the railway companies' scheme of wage-reduction. It can only redistribute general pressure of such hardships. Press defences of banking policy take two forms. One is to acclaim the services which the banks have

rendered to industry; the other is to disclaim their responsibility for disservices. Where the banks have fed industry with loans, the public are invited to recognise this as proof of their concern to promote brisk trade. But where the banks have called in their loans and thrown industry into confusion, the public are told that this action was forced upon them by a higher law. If one synthesises the two modes of defence, he gets a tale something as follows: that the expansion of credit produces consequences which inevitably compel a subsequent contraction of credit. But it is clear that if deflation is thus an inevitable sequel to inflation because of a higher law, the original inflation must have been an infraction of that same law. In that case the “service” of which the bankers boast is the beginning of an ultimate disservice, and is therefore itself in essence a faithless stewardship of their own mysteries.

The student of the Social Credit analysis is aware that there is no “higher law” in the absolute sense suggested. It is a derivative law operating as a result of the bankers' refusal to couple price-regulation with credit-issue in a single policy. There is now no mystery about why credit-expansion has to be undone afterwards by credit-contraction; for so long as the selling-system has to be administered by industry on the principle that the price of an article is “what it will fetch” the effect of expanding credit is simply to enable the article to fetch more credit, whereas the true (and achievable) effect that should be aimed at is to enable the extra credit to fetch more articles. In short, the objective of new credit-issues should be to increase the rate of consumption by the whole population. This is an inversion of the present policy of high-finance whose objective is to lend credit for such purposes as will save labour and thereby contract the volume of consumer-demand. New credit is wrongly conceived of as an instrument merely for constructing new credit-collecting mechanisms, comprehensively categorised in the term “capital development.” Hence credit-expansion tends to increase the total amount of financial capital seeking dividends, and at the same time to decrease the total of personal earnings out of which such dividends must be collected. That is the explanation of all the company-reconstructions that have taken place since 1920.

The City Editor of *The Times*, dealing with such reconstructions a week or two ago, said that the burden properly fell first on the Ordinary-share holders, because they took the bulk of the profits in good years, and ought to face the losses in bad years. “Next,” he continued, “should come the turn of the Preference shareholders, and only in the last resort should Debenture-holders be called upon for a sacrifice.” The reason is given as follows:—

“To the last category belong the banks. They are trustees for other people's money, which they are liable to repay on demand. They provide industry with a large part of its working capital by lending the money deposited with them on security at a relatively low rate of interest and for short periods. They take no share of the profits, and it would be wholly improper to call upon them to bear losses that rightly belong to the proprietors of a company. . . . it is not their business to run the risks of an ordinary commercial enterprise, for their responsibilities are much greater, and the character of their business fundamentally different. They are institutions of trust. Industrial companies as a rule increase their dividends when trade is prosperous, and reduce them when trade is bad. On the other hand the banks conserve their resources and refrain from increasing dividends in good times. Therefore they are able to maintain their dividends, as they have done this half-year, at a steady level.”

This passage bristles with false suggestions, though every phrase is verbally true. As a general statement it could only be credible if financial credit appeared

from nowhere and fell into the pockets of private individuals, who then came along to the banks, saying: “Pay us a little interest for the use of our money.” But no such thing happens. The banker (we refer to the system) originates all the “resources” with which he is entrusted. His equipment is a pen and a ledger. With this equipment he creates credit. He is not obliged to rely on a depositor in order to start trading. On the contrary, he has to rely on a borrower. For it is the banker's act of entering a loan in his ledger which brings financial credit into existence: and it is the borrower's act of spending this credit which causes it to become a “deposit” in the name of the recipient. As a matter of fact, the borrower, at the moment of borrowing, appears in the banker's ledger as the depositor of the amount he is borrowing. That is to say, the banker debits him in a loan account, and credits his current account with the agreed sum. This double entry has the effect of increasing the banker's assets and liabilities equally. The loan has added to the banker's resources, and not subtracted from them.

Now, if a customer A borrows £100 and buys something from B with it, and B deposits the £100 with the banker, it is of course true that the banker is responsible to B in the sense that he must let B transfer the £100 to somebody else if he wants to. But since the passing of the Bank Notes Act there is no risk in this responsibility. To take the extreme embarrassment that B could inflict on the banker, namely, that he decided to draw his money out in legal tender and hoard it; all he could draw out would be currency notes, which the banker is now able to print to order. There is a legal limit to the number he may print, but this has no substance in it, for directly the demand of depositors generally for currency began to approach the limiting figure the banker would inform the Government that an “emergency” had arisen; and Parliament would sanction an expansion of currency in a single afternoon (probably some months after the expansion had actually taken place by a secret Treasury Order!) So it is quite beside the point for *The Times* City Editor to assert that it is not the business of the banking system to “run the risks of an ordinary commercial enterprise”: the point is that there are no risks for it to run. That is what makes its business “fundamentally different” from all others.

The fundamental responsibility of the banking system is not to depositors but to the whole community. Every citizen has the inherent right to create financial credit commensurately with his usefulness as a potential producer and consumer. But since the usefulness of this or that individual is not calculable, and for other practical reasons, the function of credit-creation has been entrusted to the banks. But the policy to be instrumented by this credit is not for the banks to decide, but for Parliament. That would remain true even if the policy now being administered gave satisfactory results. But it has conspicuously failed. There are three features of the present situation which prove the failure to every man and woman of commonsense. They are (1) unused productive power; (2) unemployed labour; (3) unfulfilled needs. Now, if such phenomena were to appear in a primitive community which had never heard of money everybody would see the remedy immediately and assist in putting it right. The very nature of the problem would supply its answer. But in these days we are contented to listen to stuff like this:

“The big advance shown in the volume of acceptances and indorsements is due to several causes, but not, it is to be feared, to better trade. It is the result partly of our sound monetary policy. . . . —as though it were a natural law that fat money depends on lean markets.”



## A Letter to the Public from your Free and Glorious Press.

The reader will easily conclude that this letter could not have been written by the Press, but it is published on the assumption (together with that of a blue moon) that such a letter might have come to light before the crack of doom, or at a time when all green, white, and pink lies were used up and nothing left but the truth.

London newspapers calling; we have a long and overdue confession to make, and we will say straight away that, as we have lied so vigorously in the past, you will not now believe the truth, although we publish it. You have long been tossed about by us—how we have laughed at the certain results of the guff we have administered to you, and how we have nearly cried with laughing at your silly antics—and our prescient leaders have slowly and steadily climbed to fame, wealth, and power, on the money made from our advertisement columns. You know, dear public, we always gave you more than a penn'orth of paper, but like the silly storks you were, you never noticed it.

Although it is almost as difficult for a gnat to swallow a hedgehog, we are forced to be candid with you, and, of course, we should not have taken up this attitude if we had not been driven into a corner. The questions of aerial warfare and unemployment have now got us down, so that we are passing them on for "unceasing prayer to God by all the partners of our modern civilisation."\* With contrition we say it, the "Charlie Chaplin" civilisation you now have is largely the result of our efforts. Some of you can even get to your destinations quicker by walking than taking a bus. We have not been able to scare you from taking your rights under common law, and crossing the road where you like; we tried the abusive phrase "jay walker," but failed.

We have, to our shame, proved conclusively that railway workers will be better off with less wages to spend; we have also turned the poetical section of our journalists to prove that 10,000 out of a million is a big percentage, but in doing so had overlooked the tradesmen who will be the losers through having lost 10,000 customers. We are in a hell of a mess. Every way we turn our nose rubs up against the bars of the cage, and we are thoroughly fed up with this game of spoof that had to have an end. Another glaring error on our part was to back the "more production" campaign; we easily roped in a few influential addle-pates in the Labour movement, but there again we created a problem for which neither we nor anyone has a solution. If only we could export to the moon and take nothing in return—except transferable I.O.U.'s—the day of our confessions could have been delayed beyond August 13, when little birds were frightened into the air to amuse the out-of-work millionaires.

Talking of the air brings us back to our subject. The office boy's explanation (rough and ready) of Newton's theory was that anything that went up was sure to come down. A consultation of half a dozen or so influential peers of a recent output was barren of any result; they all agreed that Newton's law could not be suspended even by newspapers having circulations that give you spots before the eyes in reading the figures. Why Newton wanted to discover his theory is more than we can imagine, and if he had lived in our days we would soon have "downed him."

Alternatives lying (pardon) before us have been discussed *ad nauseum*; the closing down of all newspapers would let in the dangerous experiment leading to the knowledge that we can be done without; reduced size, following the printing of truths only would not be a paying proposition. One after another we have turned over, for the mess we are in is

\* Quotation from *Morning Post* Leader, 13-8-28.

monstrous; we can neither stop nor go on so we are for the time being in the blind alley of a cleft stick, and although it is August we are praying for a fall of snow. This would have the result of using up a good proportion of the unemployed, but, as there is no money about the prayer must be countermanded.

This week we are announcing, not too conspicuously, the chances of London evading annihilation by bombing machines. We and our cosmopolitan *confères* have assisted in emptying the contents of a dustbin on your heads in the name of civilisation, and we now pass the problem on to you. We can do nothing with it, and we wish the answer was a four-penny lemon; but, alas! events have blown the gaff on us, and we leave you to fend for yourselves, whilst we engage like King Claudius in prayer.

With nothing more than common sense for you to rely on, we now slam down the venetian shutters of all newspapers and leave the gigantic muddle of muck to you; we shall not appear to-morrow. The risks, therefore, will be all your own. Without us, although the sun may be shining, you will not know it is a fine day. Without us, we doubt whether you will be able to find the way to your mouths with food. Without us, you may come to think that men of other nations are like yourselves. Without us you may be led to think that machines can be used to shorten a day's work without throwing displaced labour on the competitive market. Without us, some of you may foolishly say if there is no money, make some. But these risks are not ours. This man Newton, whoever he was, has cooked our goose, put us in the cart, put it across us, dealt us out one, and we go to do a far better thing than we have ever done before. As a sacrifice for our long and continuous misdirection, and at this momentous turn in the history of the world, when nations can wipe each other out for no better reason than disliking the cut of their plus fours, we offer ourselves up on the altar, or in the incinerator, as a sign of our repentance. We shall not appear to-morrow, nor at the setting of the sun, nor at the going and coming of men—for we have discovered the answer to the question of Pontius Pilate. What is truth? It is the stuff we have never dealt in.

THE SCRIBES.

"Speculation is already beginning as to the constitution of the next Presidential Cabinet. There is a very strong belief that if Hoover wins, his Secretary of State (equivalent to our Foreign Secretary) will be Dwight Morrow, the banker diplomatist, who resigned his partnership in Morgans to become Ambassador to Mexico."—*Daily Herald*, July 14.

"Leeds, Friday.—During the hearing of a compulsory winding-up case at Leeds County Court yesterday, Judge Woodcock, K.C., made some scathing comments. Every day, he said, you see bank clerks and others in order to find necessities for themselves and families put their hands on the materials of the bank and they find themselves in prison. That is not clever. If you want to steal without coming within the arm of the law you form yourself into a limited company and draw so much money from time to time regardless of whether you are meeting your creditors or not and incur fresh debts without divulging the state of affairs. That is the way to get a good living whilst avoiding criminal consequences."—*Morning Post*, July 21.

"The report of the Industrial Transference Board is disappointing. The Committee seem to have felt that they could not propose anything likely to involve the expenditure of more than a very small amount of money. To expect that so gigantic and unprecedented a problem can be solved on the cheap is to expect something like a miracle."—*Manchester Guardian*, July 24, 1928.

"The extent to which American capital is being poured into Germany is not, I think, clearly realised here. During the twelve months ending in June American loans to Germany reached the astonishing figure of just on £100,000,000. The estimates of total American investments are no less startling. The capitalists of the United States have now over £1,000,000,000 in Latin America, nearly £1,000,000,000 in Europe, some £700,000,000 in Canada, and £250,000,000 elsewhere."—*Daily Herald*, July 14.

## Views and Reviews.

### CIVILISATION VERSUS IMPERIALISM.

By W. T. Symons.

Economics and politics no less than philosophy and medicine have come to the end of an epoch, from which a new beginning is discernible—and is only possible—through psychology. The mechanical age has achieved its purposes and has passed, so far as human impulse is concerned. A new meaning is given to the saying that "Man is the Measure of All Things," and anyone who now bases criticism of existing institutions, much less constructive proposals for altering them, upon a foundation other than the understanding of human nature revealed by modern psychology, leaves the region of *causes*, and erects a building which may have ethereal charm but which has no power to withstand the shocks of actuality.

The common hold upon personal and collective destiny is now so weak that a fresh impulse, having little in common with the nineteenth century impulse of aggression, is required to promote the new orientation of human conduct and the new political and economic forms which must flow from it, if Western Civilisation is to pass from mere Imperialism to self-realisation.

Never before in the history of the world has it been possible to understand the personal and collective mind expressed in a civilisation, and to envisage change as a conscious building upon a truer psychology. Nor has "the organised power of modern industry in a modern State," whose overwhelming power in the subjection of less organised peoples Mr. Woolf\* is chiefly concerned to discuss, ever before been capable of finding its own fulfilment in the replacement of its military and economic aggression by the systematic release of the resources of its own people, through application of the same enlightened psychology to political and economic institutions.

We now may know how to find personal fulfilment without subjecting our fellow men to our individual ambition; and how to find economic expression and imperial fulfilment without destroying the purposes either of more simple peoples by enslavement or of our cultural equals by war.

The solution of the first has its technical ground in the science of Individual Psychology, whereby man may know experimentally that cancellation of egoism in community is the act of courage needed for attainment of human satisfaction and development; and solution of the second lies in the economic expression of that cancelled egoism through the technique of Social Credit. Whilst both are the fruit of a new and Christian impulse, in which personal fulfilment is no longer pictured as strife with fellow-men, but is seen as social integration; and in which national fulfilment is found in fullest development of each People's own capacities.

The illusion of power sought at the expense of others is exposed by Individual Psychology, and its failure proved by the shattered nerves and bodies of those who persist in clinging to that illusion. The same striving for power, bereft of responsibility, expresses itself politically in Imperialism. But the drive of Imperialism is "economic necessity," and the drive behind "economic necessity" is the world policy of Finance, whereby every object of human concern, even the material well-being of the Imperialists themselves, is sacrificed to the insatiable demand of the very few for a monstrous degree of power over human destinies.

Those few who make and destroy money rule the world to-day by the most arbitrary expression of power, and it is the will of that power operating through modern Imperialism which marks it off from

\* "Imperialism and Civilisation." By Leonard Woolf (The Hogarth Press. 5s. net.)

all earlier Imperialisms. We have at last the spectacle of the complete irresponsibility which *owns* nothing whilst it checks the destiny of men and nations by a fantastically complete monopoly of the *tokens* of wealth.

But at the moment of human flagellation by this mere Power, its own mechanism is discovered to be convertible to human service by the simple reversal of policy—the token being made to serve real achievements instead of men's abilities being cramped to the arbitrary purposes of those who control the tokens. Being nothing in itself, change of direction in the *policy* of Money could immediately release the pent-up energies of the world, and melt the greater part of the tensions resulting from a century of modern Imperialism.

Mr. Woolf emphasises that Western Civilisation is almost entirely an economic product, and challenges the right of Imperialism to impose that Civilisation upon peoples of entirely different cultural standards. He acutely observes that racial, national or religious differences are not the real causes of conflict in the spread of modern Imperialism, but that the devouring maw of mechanical development, which the industrial revolution of the past hundred years has brought about, is the real driving force. He foretells the violent revulsion of peoples rendered defenceless by modern military engines against enemies with whom they had hitherto been able to fight on terms of relative equality. He sees the evil of economic compulsion which follows the military subjection.

Toleration of widely differing cultures and stages of human development would, he believes, be as easy now as in the great Civilisations which existed side by side in the ancient world, but for the vastly different economic situation. He sees the apparent economic necessity and does not enquire into its financial basis.

The value of Mr. Woolf's work lies principally in his consideration of the two contrasted lines of Imperial policy—typified by British method in Asia and in West Africa, and by the different method in East Africa. He condemns as grossly immoral and criminally foolish the reduction of the native to complete helplessness by alienation of his land. By this method virtual slavery is imposed—as in the Belgian Congo and in Kenya—although it may be later dressed in the respectable attire of "responsible Government."

The contrary method, followed in Asia generally and in West Africa is infinitely preferable. There the commerce of Western Civilisation has been gradually developed by the natives themselves, in occupation of their own land and natural resources, without hardship and exploitation by modern capitalism, but yet without actual and immediate destruction of the native culture by an alien system. It permits transition to a point of challenge to the white man's methods, and even to his presence, which may conceivably be met by the Western Powers and made the basis of a community of nations.

This is a valuable point, and the picture which haunts Mr. Woolf's vision, of an even greater negro problem built up for Britain than menaces the future of the United States of America, is real and terrible enough to give pause even to the mad statesmanship of Britain's post-war period. Mr. Woolf's hope lies in the League of Nations, as trustee of the Mandate system, under obligation in theory to support the principles laid down by the signatories to Article 22, of the League, and in particular of the Covenant, which commits to the signatories all peoples "not yet able to stand alone under the strenuous conditions of the modern world" whose "well being and development form a sacred trust of civilisations." The impartial interpretation of that Article alone would secure all "backward races" from the kind of



brutal exploitation which is inevitable if the natural resources of his country are taken from the native under whatever pretext.

Mr. Woolf rests his faith in adoption of a new moral standard, to be imposed by the Imperialist Nations collectively through the League. He relies upon the signatures of "such brilliant and practical politicians as Mr. Lloyd George and M. Clemenceau—and the approval of Signor Mussolini," in face of the intensification of "economic necessity" which has led every signatory to the covenant to break the conditions of the Mandates entrusted to it. If the safety of each nation depends still upon the same factors, how can any radical change be expected in its conduct as the spur of necessity steadily increases. The belief in the reformation of national behaviour under these conditions is not rational.

The only rational course is to solve the economic problem in such a way as to lessen the pressure of Western Civilisation upon the East and upon Africa, and to lessen the necessity of each manufacturing country to compete with all the others in subjecting the "backward races" to its purposes. Every modern Government, faced with the alternative of aggression abroad or starvation at home, must choose the former, whatever its dangers and difficulties.

Mr. Woolf's book, so right in feeling and so useful in administrative suggestion, adds only another despairing contribution to moralism. It has no dynamic. It does not even see the power behind the Imperialisms. It accepts "sound finance" without question, and attributes initial power to the political entities which are mere pawns in the game. It does not recognise the pyramidal structure of world power, with Finance supreme, and unanswerable to any political Government; it is not informed with even the hope of new impetus and new technique in human affairs, and shows no awareness of the revolution in human thinking which modern psychology has inaugurated.

## Rural Life and Lore.

### XVIII. CLIFFORD'S JACKDAWS.

Everybody knows that the jackdaw is a thief. He can't stop himself picking up any glittering object he sees, such as precious stones, silver, and gold. In a state of nature he saves these things up in a hiding-place just for the sake of looking at them. This would not make him a bad thief, because you could say he gave way to sudden temptation by coming across them by accident. But he steals other things as well; and he plans his thefts. He will perch himself somewhere where he can see other birds fetching and carrying twigs, fleece, straw, and such-like materials; and he will watch intently where they put them. Then, after a while, when one of them flies off to fetch some more, in he'll dart and steal what the bird has collected. So you may say that he steals for a living as well as for a hobby.

Just before the war, when I was in the Army, I was stationed at Okehampton, in Devonshire. The officers were quartered in a large house. After a while they began to miss things, such as rings and tie-pins, which they had laid down—it might be on a dressing-table or washstand. In one case suspicion fell on an officer's servant called Lawrence, because he was the only person who could have taken the missing object. He was not charged outright with taking it, but he could tell all right by the questions the owner asked him what was in his mind. So there was some unpleasant feeling; all the officers' servants began to suspect each other as well as the officers suspecting them.

Now, while this was going on, we soldiers were out under canvas and did not know anything about it. If we had, we could have cleared up the mystery sooner than it was cleared up. For we were losing

things too: but we knew who took them. It was like this. There was an old barn where we would go to gamble at "Crown and Anchor." We would sit on boxes round a bench, on which the board was spread out and the dice thrown. At that time there was not so much paper money: there were plenty of gold coins about: so it was a usual thing to have a few half-sovereigns on the board.

This is where the jackdaw comes in. There were a pair of them who would come and plague us. They would perch on a beam which ran directly above our bench. And—would you believe it?—they would swoop down and pinch half-sovereigns right under our noses. It wasn't as if we didn't know they were there. The jabbering they kept up on that beam watching us chaps down below was sufficient warning in itself. But we got reminders of another sort as well. We might have just thrown our stakes in the squares and pitched our dice, when—plop! plop!—and everything would be splashed by their droppings; and we would have to stop the game to clean up the mess. Then you can guess the language! Fists would be shaken up at that beam: "You bl—b—s! You let us get a finger on you, and —!"

This was just what those jackdaws wanted. They knew we were talking about them—they like to make people notice them—and there they would be, bending their heads and their keen, beady little eyes, down at us chaps, squawking and jabbering away at us, just so excited as it might be the back-talk of a man we were slanging.

Well: things would quieten down and we would begin again. We were very careful to keep our hands covering up any gold coin, for you could never look up at this beam without seeing their eyes fixed intently on our board. But it was no good. One or the other of them would have us in the end. We would get so absorbed in the run of the dice that a coin would be left exposed. That did it. A swift flutter and the money had gone. Supposing it was your coin, all you'd be aware of would be something like the shadow of a hand stretched over it. You'd grab for it without thinking—but never in time. . . . Then, what a hullabaloo! We'd curse them from below and they'd cheek us from above; and the louder we shouted the faster they'd jabber back.

I must break off here to mention that the jackdaw is an imitative bird and can be taught to speak a few words. But he can't do this unless his tongue is slit when very young. I have heard my grandfather say that the slitting must always be done with silver, not on any account with steel or other metals. They used to grind down a sixpence to get a sharp edge. Then they would cut the tongue for a quarter of an inch from the tip, making an upright slit, dividing it into right and left divisions.

Now I will come back to these two jackdaws. They belonged to an old Irishman called Clifford. He was a cobbler. Two tents were allowed him in camp, one of them being his workshop. At night fall these jackdaws would go home to roost in his working-tent. (Jackdaws never fly in the dark.) They preferred this tent because on the bench he had got all the shining tins which he kept his glittering brads in. He had caught these birds very young; and they were so friendly with him that he often used to come into the canteen of nights and stay all the evening, with one or the other perched on his shoulder. He was very fond of them; and it would have been as much as your life was worth to try to harm them.

Of course, we soldiers knew all along that he was the owner, and whenever we had our money sneaked in the barn we would tell him to watch out for it, because these birds might sooner or later bring him the coins and drop them in one of his brad-tins. The old man got pestered out of his life

through being known to keep these birds, because—quite apart from the things we knew they sneaked—every soldier who missed anything at all used to lay the blame on Clifford's jackdaws. A chap might get drunk and stand several rounds in the canteen; and when he woke up in the morning would think he'd lost a ten-shilling piece. But, for all, he would say: "That's that, b— Clifford's bl— jackdaws," and the old man would be told off about it proper.

It served him right. Often, when a party of us were in the canteen he would be there, hard up, and we chaps paying for his beer, when he would excuse himself suddenly: "I'll come back in a minute or two. I've got a little job I must do." Then, in a half-hour he would come back, and begin to pay for rounds in return, and join in any gambling that was going on. Of course, the artful old devil hadn't got any job to do: what he wanted was to go in his tent alone to see if the jackdaws had brought anything home. He'd peep in his brad-tins, and sure enough there would often be a ring, or a tie-pin, or silver and gold coins lying there for him. And the two jackdaws would be perched on the bench jabbering away to him so much as to say: "Look what we've brought ye to-night!"

But you must not think that these birds always brought what they stole straight to him. A jackdaw may get attached to a human being, but he steals for himself first of all. He has hiding places of his own, where he goes and enjoys the sight of the pretty things he has collected. So, you see, old Clifford could not be called on to part up with stolen property even when we knew his birds were the thieves. If he told us he'd seen nothing we could not prove him a liar, although we felt like calling him one.

It was through this habit of jackdaws to choose secret hiding places of their own that the officers I have told you about got to know who had taken their jewellery. For, one day, some bricks fell in one of the chimneys, and workmen were called in to repair it. High up in this chimney one of the bricklayers came across a recess, and found a whole collection of jewellery and coins laid out in it. He took it to show the chief officer—a nice gentleman, a Dutchman, called Major Vanrenen. So then the whole thing came out, and the servants' characters were cleared.

A little while before this happened old Clifford—who was a heavy drinker—stumbled home dizzy from the canteen one evening at nightfall, and on entering the tent unluckily trod on, and killed, one of his jackdaws who had just hopped in and hadn't time to fly up to his usual perch. The old man was heart-broken. He loved those birds like they were his own children.

He had just got over his grief when the officers found out about how they had lost their jewellery. A few mornings after the discovery Major Vanrenen had Clifford brought before him, and said to him:

"Now, Clifford, you see what trouble your jackdaws have caused. Men have been wrongfully suspected of theft, and the consequences have been unpleasant to everybody."

"Yes, sorr; I see your maynin'," said Clifford.

"Well, now, Clifford," said the Major, "don't you know of anyone to whom you can confide the care of your remaining bird—somebody living a long distance from this camp?"

"Well, sorr," Clifford answered, scratching his head, "you see the difficulty is this, sorr; if I part with that bird I shall lose a pound a week, sorr."

The Major laughed fit to kill himself. And bless me if he didn't let Clifford keep his bird. A fine sporting gentleman was Major Vanrenen.

But very soon afterwards the jackdaw disappeared. Search and ask high and low, nobody

found out what had become of him. Neither did a soul see him again. Poor old Clifford went almost out of his head. He was blind drunk—dead to the world—for a whole fortnight.

I don't wonder—quite apart from the pound a week the bird earned for him. I have seen that jackdaw perched on the bench for hours on end talking to the old man while he was hammering his boots. I mean it. Talking like you and I would talk—and intending to be understood. Sometimes Clifford would say to him, quite quietly, "Here, you mustn't stick here all day; go and have a fly round." And off that bird would go, obedient as a soldier. And wherever he might fly to, never would he come within reach of any man's hand. He knew he was a thief, and that everybody was on the look-out to catch him. But with Clifford he knew he was safe—like the old outlaws we read about who got in a church and took sanctuary. Old Clifford didn't look much like a Bishop; but it all comes to the same thing in nature.

R. R.

## Drama.

### Aren't Women Wonderful! Court.

"Aren't Women Wonderful!" does not end, it will be noticed, on a note of interrogation. It is not even a question anticipating the answer *yes*. From the mark of exclamation it is to be taken that Mr. Harris Deans has settled the matter. Although Mr. Deans has only four women in his play all told, he has, however, four different sorts. Perhaps his view is that all of them are wonderful in their own way, but as one star surpasseth another in glory Con Hawley was the most wonderful of all, though Rhoda Johnstone, the musical comedy actress in the play, was the most human and the best company. Married to an inventor with very little money, Con Hawley looked after him better than she looked after his money. Behind his back she was in debt to the furniture hire-purchase man to the tune of £75, being the balance carried forward, as the bills say, after seven years of paying and missing. From the little of the home on view it was hard to deduce justification for the expenditure of £75 in all. Mr. Deans intended all this, however, to make Con Hawley even more lovable, and as she kissed her husband often, saved him from worry, and cleaned his boots, let her be excused. There was once a man who lived with a woman for sixteen years and then married her. Next morning he found his boots uncleaned. When he complained his wife replied, "What? Me clean boots! I'll let you know I'm a respectable married woman." Con Hawley couldn't really have enjoyed cleaning boots, for she also humoured her husband in his wealth fantasy, and allowed him to persuade her to spend on the strength of future income—not on babies, which are apparently cash-income—flat. Until Ben Hawley's invention was financed by Henry Satterwaite—to a mere £200,000, be it admitted, as Satterwaite only put a lot of money into serious things—Ben Hawley had dealings only with good women. Mrs. Satterwaite filled the vacancy, and despite all Ben Hawley's monogamous conscience she made progress. It was from the time that Con Hawley surprised herself by coming upon her husband in the passionate coils and toils of Mrs. Satterwaite that she demonstrated how wonderful she was. Instead of impulsively kicking up a fuss about property she tactfully retired on tip-toe to think things out. She then taught the great financier Satterwaite more about human nature than he would ever have learned for himself. Satterwaite's half-baked idea for counter-ing the misappropriation of his wife was to stop his financial support of the invention. But Mrs. Hawley



proved to him that the way to keep Ben away from Mrs. Satterwaite was to keep him busy by putting up still more capital. An eavesdropping opportunity that showed Satterwaite that his own wife was the pace-maker in the affair added remorse to logic, with the result that now Ben Hawley is a serious rival of Mr. Ford.

Mr. Deans is a dramatic critic apparently offering an example to dramatists of how to do things. It is an heroic rôle. The plot of his play so closely resembles that of "Mr. Prohack," wealth phantasy, affair, and all, that he might be teaching Mr. Bennett. Mr. Deans has certainly written racy, humorous dialogue, and has given the actors scope for character work. But the play does not go straight through. Con Hawley's sister-in-law, an actress who trembled as age and fat compelled her to give up Prince Charming parts for comic mothers-in-law, but who solaced herself when she got a good job with the knowledge that she could eat what she liked, was introduced solely for comic-business by the *mésalliance* of different social classes. The poverty of the plot necessitated a series of sketches purely for seasoning purposes. The third act is unsteady. It was a mistake for Con Hawley to end the second act by prophesying her own wonders, since she gave too much away. Although it is admitted that the course of events, in view of the financier's armour-plate defence against women, was not exactly as prophesied, the third act appeared to be coming to an end several times, only to totter forward into still another sketch. Mr. Deans can draw human characters, and he can write dialogue; but the plot is unworthy of the talent.

As the two wives, Con Hawley and Irene Satterwaite, both Dorothy Turner and Dorothy Holmes-Gore were first-class. The former, of course, as Mrs. Hawley, was a paragon of virtues, with all opportunities for their display. Dorothy Holmes-Gore had to create the part. Nothing in the world could compete with her at man-eating except machinery, so that the play was right there. When Ben Hawley, remembering in the middle of his love-making what a good little woman his wife was, refused to go with Irene to Italy, all found, half the audience wanted to volunteer for the post. Two other excellent performances were given by Isabel Thornton as Rhoda Johnstone, and Clifford Marquand as the financier. Isabel Thornton, naively blurting out the obvious truth about everything that politeness decrees shall be unnoticed and unsaid, was human, true, and comic. Ralph Richardson was well cast, but he couldn't make much out of those dreadful lines protesting his determination to get rich. All the speaking was clear and audible.

#### Knight-Errant: St. Martin's.

The author of "Knight-Errant," Mr. Eric Forbes Boyd, does not give his play any description, either as farce or as comedy. The term "crook-farce" would come nearest to description, but it would do injustice. For those with the special capacity for enjoying music-hall absurdity the play is first-class entertainment. It is a great deal healthier than crook-melodrama. The two characters with whom the author cleverly identifies the audience in the first act are just normal, simple folk, who, in a bewildering series of rapidly changing situations, break conventions and invent clever explanatory lies with great promptitude and no conscience. By an accident they have been let in for a peck of trouble about which they are entirely in the dark. Billie Denver nearly knocked the girl down with his car in a lonely country lane, and from her nod in reply to his question as to where she lived, he brought her to "The Warren." It was the wrong house, and its occupants were away. That an uncle of the occupants was unexpectedly to arrive that night from overseas, and that the house was to be used

for other purposes because of its emptiness, was an unfortunate coincidence for Billie and the girl. Still, their mutual attraction at first sight made things bearable. The plot is too complicated for detailed description. A great deal of good fun and comic burlesque is extracted from the reactions of Billie and the girl to an environment as inconsequential as if in a dream. The groping, lying, and assault, among other things, these two are put to in their effort to get away without being locked up is enjoyable though absurd. The dialogue is so clever and the acting so good that it would be looking a gift-horse in the mouth not to let one's logical faculties have a rest and not to hand one's self over to the nonsense, which falls only once to anti-climax. This one weakness is the professor, whose presence and conduct are explained in a way that constitutes letting the audience down. It should be confined to the comic papers. The assistance he lends to the plot could be obtained without him, and any lines of his too good to lose could be used elsewhere. Frederick Leister's opportunities for choler could be made up in other directions for what the professor's departure would take away.

Hugh Wakefield as Billie Denver is on the stage most of the time. But Hugh Wakefield is an actor as much to be seen for himself as Seymour Hicks. With a foil he can hold the stage for any length of time. His command of under-statement and under-reaction in the face of great shocks, his ability to fumble with a gun, or to look surprised at his own cleverness, brings him into the first rank of clowns as well as actors. He commands cathartic laughter. Alfred Wild's Police Sergeant was magnificent comedy. In anything requiring the burlesque of pompousness, vanity, authority, and so on, this actor succeeds.

PAUL BANKS.

### The Screen-Play.

I have been trying to imagine what Tolstoy would have thought of the film version of "Anna Karenina," presented at the Tivoli under the title of "Love." This screen-play is described as "being remarkable because it really tells Tolstoy's story. It does not, although Edmund Goulding, the director, is entitled to claim justification for attempting to combine the preservation of the atmosphere of the novel with the freest of free adaptation. As an endeavour to put Tolstoy on the screen, "Love" is a failure; regarded without reference to the text on average. The restraint of the ending is masterly, and Goulding is to be congratulated on refraining from anti-climax after Anna's suicide; instead he has created a brief scene leaving much to the imagination, which is an admirable example of subjective technique.

Greta Garbo here achieves something beyond the mere presentation of her exotic beauty, but is hopelessly miscast. She may one day become an actress, but she will never become an Anna Karenina. The inevitable tragedy of Tolstoy's heroine finds no reflection in her temperament. John Gilbert is also miscast as Vronsky, although the stiffness of his performance is perhaps appropriate. The best-cast rôle is that of Brandon Hurst as Karenin; he alone would appear to be familiar with Tolstoy's novel. Mr. Leslie Ogilvie continues to make the Avenue Pavilion the most artistic kinema in England, if not in any country. He also, I am glad to be able to record, continues to find his policy of giving the best films profitable, and "Warning Shadows," now in its third week, has beaten all the box-office records of the house for years. Here is a film that demonstrates the extent to which the kinema is a new and

vital art, and how it can triumph in a medium beyond the scope of the stage. Arthur Robison, the director, who was also responsible for "Manon Lescant," is among the few really great artists of the film, and "Warning Shadows" is the more notable in that, although already old enough to be a classic, it has never been excelled in its particular genre. I am personally of opinion that the film would be improved by cutting, since Robison is here repetitive, a sin which so many producers apparently find it impossible to resist. But in this connection one has to allow for the fact that it is not altogether fair to judge a film made four or five years ago by the standards of to-day. Unquestionably "Warning Shadows" is a masterpiece. But I wish it had been called "Shadows," which, I believe, was the original title.

As last week I expressed my sincere disapproval of "The King's Highway," I am the more pleased to commend "The Guns of Loos," for which the same director is responsible. Sinclair Hill has here done something remarkable; British producers excel in war films, and I am not sure whether "The Guns of Loos" is not the best of all to date, including the American-made "What Price Glory?" Hill gives us the real atmosphere of war, with its insensate waste of life and material treasure. The acting might, on the whole, be bettered, and I would suggest to Henry Victor, who interprets the principal male part, that he study the difference between emotion and epilepsy, but this is a film in which the individual performer is largely subordinate to the whole. In Madeline Carroll we have an English film actress who can act and can impersonate an English gentlewoman in addition to being the possessor of good looks. Both for its thrill and its admirable technique, I cannot too highly praise the episode of the saving of the guns. Admirable also is the economy in the use of them, "I helped you to find your manhood, and now you mock me." Not even the hackneyed ex-cuse "Owing to the war" can palliate such borrowing from the penny novelette.

DAVID OCKHAM.

### Reviews.

**Is Local Option Democratic?** By William Leavis. 3d. Whether local option is democratic or not could be argued for a long time, since it involves a definition of democracy. Those teetotallers in a majority in their neighbourhood believe that prohibition by majority decision democratic. Mr. Leavis believes in individual option, and we agree with him whether it be democratic or not. Our only trouble is that, since our fathers paid for the breweries, we ought only to pay for the beer.

**The Pure in Heart.** By J. Kessel. (Gollancz. 7s. 6d.) This is only half a novel, expanded into library size by the addition of three rather effective short stories. The translation from the French is good, and the author has very sound ideas about the way he wants to write. Yet somehow, despite the lavish praise of Mr. Arnold Bennett, we find the quality of charm lacking in the first story, "Pilot and Observer," which has been almost as much praised in Paris, under the title "L'Equipage," as it is now in London.

### LETTERS TO THE EDITOR.

**"THE COME-TO-CHURCH" MOVEMENT.**  
Sir.—Mr. John Grimm's article entitled "The Come-to-Church Movement" demands a reply from me in so far as it is a caveat against the social teaching of Adler. Mr. Grimm suspects that Adler's teaching is "capable of being absorbed bodily in a revised code of moral discipline . . . to secure the ends of financial government." Now, apart from the general truth that the Devil is clever enough to select quotations from any sort of scripture whatever, this suspicion is more than unfounded, it is meaningless. Mr. Grimm's article is directed against a "tendency" which he detects in things as different as the League of Nations, the Kellogg pact, Mr. J. H. Thomas's advocacy

of wage-reductions and the *Daily News* symposiums. This is the tendency to pose everything in terms of morals or of conscience, instead of in terms of common sense and technical efficiency. At the same time Mr. Grimm admits that the will derives from conscience. The burden of his objection, I understand, is that the State has been substituted for God by a sort of priesthood of politician-financiers, who are using peace-propaganda, Labour leadership, the Press and psychology itself as a "religio-scientific" dope. In order to make conformity to the plutocratic State seem a moral imperative. I agree with all this as strongly as I object to Mr. Grimm's suggestion that Adler is a dose of the same dope, in which case I am also playing into the hands of plutocracy!

Adler is not a moralist. His work is unquestionably in the category of science. It concerns the nature of sanity and insanity, and there is no doubt which of these alternatives everybody prefers. The psychic "mechanism" which is the root of nearly all madness is one of self-isolation. But by its opposite—"social contact" or "social usefulness"—Adler does not mean anything in the least resembling Froth Blowers, "Comrades of the Great War," Capital and Labour hand-in-hand, nor obedience to any mumbo-jumbo whatever of either finance or patriotism. What this psychology shows, in the case, for instance, of Mr. Grimm, whom I think as convinced a believer in Social Credit as I am myself, is that the genuineness of his effort to affirm Social Credit as a "logical truth of our communal existence on this planet" is equally his own salvation and his social usefulness. If it is the primary and central truth of anyone's view, he will go more or less mad if he does not communicate it, try to realise it. Moreover, his power to do so depends upon the reality of his contact with other people: for if that contact is not human, natural and genuine, one's own idea about social salvation not only becomes difficult to explain, but may develop into a psychosis.

Finally, Mr. Grimm has no right to bracket Adler with Mr. J. H. Thomas as an instrument of plutocracy. I defy him to quote a line in justification of this: everyone with the least knowledge of Adler knows it to be the reverse of the truth.

PHILIPPE MAIRET.

### PROFITS—INDUSTRIALISTS AS COMPARED WITH FINANCIERS.

Sir.—The reference in last week's *NEW AGE* to the discrimination between the profits of Industrialists and Financiers reminds me of an old cutting in my scrap book which may perhaps be deemed of some relevance in the discussion.

While industrialists are hard pressed to show a dividend at all, Major Douglas spoke of the general sympathy entertained toward the Financiers, mentioning that their "disclosed" profits are generally about 25 per cent., and whose undisclosed profits we know to be incomparably higher.

This is from *The Times*, July 25, 1925:—  
"Banca Ungaro-Italiana.—The accounts of the Banca Ungaro-Italiana for 1924 show net profits of Kr.8,004,037.530. It is proposed to allocate Kr.394,996,880 as dividend, which is equal to Kr.1,000 per share or 500 per cent. . . ."

Reserves, pensions, bonus, carry forward, are spoken of in the remaining sentences of the short report. If 500 per cent. distributed profit absorbs less than 1-20th of the net profit for the year, a schoolboy can reckon the percentage the total net profit bears to capital. I have rarely quoted this to any friend who has believed it. Anyone can turn up the passage in the files of *The Times*.

One is tempted further to comment, if a very remote and little-known concern can achieve results to this tune, what are the capabilities of those organisations in the very heart of the financial universe with hundreds of opportunities denied to the Banca Ungaro-Italiana, which has done so nicely? That is to say, what revelations might be afforded if the undisclosed profits of our Banks should happen some day to peep out?

At any rate, in America they are a bit bolder than here, as according to *The Banker*, March, 1926, the First National Bank of New York had its "quarterly dividend increased to 25 per cent., placing it on a 100 per cent. basis." Doubtless this is but a fraction of what it might do.

Of course, it is not unimportant to remember in considering matters like these that it is not the Bankers' profits that are the main objective. Even profits on these computations are only dimly hint the Bankers' power, a power which seems, as far as England is concerned, pretty consistently to be exercised in the direction of social repression.



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