THE
NEW AGE
INCORPORATING "CREDIT POWER."
A WEEKLY REVIEW OF POLITICS, LITERATURE AND ART

No. 1914] NEW SERIES Vol. XLV. No. 3. THURSDAY, MAY 16, 1929. [Registered at the G.P.O. as a Newspaper.] SEVENPENCE

CONTENTS.

NOTES OF THE WEEK.

Mr. Baldwin has intervened to prevent the Conservative Association at Spen Valley from running a candidate against Sir John Simon. There was an old compact not to oppose him, but the local Conservatives recently considered that Sir John's missionary activities in support of Mr. Lloyd George and his Unemployment policy amounted to a breach of a gentleman's agreement. Mr. Baldwin, in his letter to the Association, was careful to say that in "ordinary circumstances" he would not think of protecting a candidate from the risk of appealing to his constituents for a renewal of support; but that Sir John Simon, as Chairman of the India Commission, was engaged on work of urgent national importance—work of which the outcome was fraught with momentous consequences to the Empire, and even to the world: therefore it was the "patriotic" duty of Conservatives not to take his seat away. Anticipating the legitimate reply that the loss of his seat need not stop Sir John continuing his work of national importance, Mr. Baldwin pleaded that he had undertaken it at great sacrifice, and that one good turn deserved another. This fetched the local Conservatives, who immediately cancelled their resolution to appoint a candidate.

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Mr. Owen Young, the American chairman of the Experts' Committee on Reparations, has made a proposal which looks like doing more to harden anti-American prejudice in this country than anything that has happened previously. It is that the total claim of the Allies on Germany shall be substantially scaled down at Great Britain's expense exclusively. *The Times*, the *Daily News*, and the *Daily Mail* (and undoubtedly the rest of the London Press) are unanimous in advising or forecasting the rejection of the proposal. *The Times* says that "public opinion of all shades in this country" will be prepared to support the British delegates in such a decision, even though it place them in an "invidious position" as spoilers of a settlement satisfactory to the Allies. The *Daily News* says (May 9)—

> "If anybody is to pay more, it is not to this country that it is reasonable to look. We are a little astonished, indeed, that Mr. Young, personally an able and amiable man, should have been able to bring himself to table these proposals. . . . No permanent settlement is possible until the United States consents to revise its present attitude. Sooner or later the United States will have to do so; for the alternative is complete chaos. *It is nearer, in fact, than most people suppose.*" (Our italics.)

It refers to the fact that previous German payments under the Dawes Plan have been "marked by heavy German borrowings abroad."

> "But suppose Germany stopped borrowing and began really to pay in goods—in a gigantic export of clocks and toys and all sorts of manufactured articles? The most determined Free Trader may well pause aghast at the disorganisation which must obviously follow. *The machinery of exchange provides no means of meeting such a situation*, and the whole world (not excepting the United States) would be involved in the sinister consequences." (Our italics.)

The *Daily Mail* (May 7) points out that while Britain, in 1933, will have to raise her repayment instalments to America from £33 millions to £38 millions, she is expected to take less from her debtors. It further recalls that

> "Almost simultaneously with the conclusion of the agreement with the United States regarding our debt to them the Fordney Tariff was put into force, imposing much heavier duties on British goods. This is now to be followed by a new and still severer tariff, apparently designed to penalise yet further British trade with the United States."

The *Evening News* (May 8) says: "The more we study" the proposal "the more we are struck, we shall not say by its effrontery, but by its desperation." Incidentally it questions the wisdom of the Balfour Note, saying that a creditor who begins by asking the maximum and subsequently reduces his demand gets more credit for generosity than one who initially declares his minimum and sticks to it. This may be true in cases where the debtors are without evidence touching on the validity of the creditors'

figures. It has no application here because at the end of the war there was no question about the general accuracy of the figures of war-loans and war-expenditure—they were all accounted by a common method, and were accepted as an approximately true record of amounts legitimately (in a legal sense) due to and payable by the Allies to each other and America. So, when Lord Balfour announced that Britain would not claim more money from her debtors than she required to satisfy America's claim on her, the whole world could calculate what amount of money Britain was renouncing. Since then, it has been able to compare Britain's "discount" with those which America allowed in her separate agreements with the Allies. It is conceivable that for a week or two the Allies may feel sore about Britain's now refusing to accept less from them and Germany than America demands from her; but can anyone imagine such feeling persisting for long? Moreover, as a matter of recent history, America's debt-concessions to the Allies did not save her from the odium of being called "Uncle Shylock." Lastly, whose responsibility is it that has forced Great Britain to demand any money at all from Europe? It is America's. She declined to consider Britain's suggestion for all-round debt-cancellation. Lord Balfour's Note was an independent act of debt-cancellation, and will stand as an example of what ought to be done, and will eventually have to be done, by the United States if the peace of the world is to be preserved. It would be premature to read an ulterior purpose into the *Evening News's* criticism of the Note: but it is just as well for us to point out that comments of this character can only have the effect of stirring up trouble in Europe just at the time when Europe should be united.

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In *The Times* of May 8 appears a letter appealing for funds for the Council for the Preservation of Rural England. It commences thus:

> "Sir,—During the next few weeks we shall differ on so many problems of public importance, that we gladly take an opportunity of showing that on one subject we speak with a united voice—namely, in advocating the preservation of our countryside in its rich personality and character."

At the foot are three signatures: Stanley Baldwin; J. Ramsay MacDonald; D. Lloyd George. We cannot think of a single thing that these party leaders have done to preserve the countryside. Between the lot of them they have infected agriculture with economic tuberculosis and are now appealing for coughdrops. Measured against the financial damage done to agriculture since the war, the proceeds of this appeal at the best can hardly attain visibility. All three Parties accept it as axiomatic that Britain's prosperity depends on her exports—exports of everything except what the countryside produces. This involves a war with other nations for markets, and their common device for waging that war efficiently is to billet the townsman on the farmer. Even if the townsman were any the better off for it, this draining away of the resources of the countryside would be unjustifiable; but he is not. In the same measure as the prices of agricultural produce are whittled away the cost-of-living index figure falls, and down come the townsman's wages. The "saving" goes to develop capital resources, and it is this very development which is poisoning rural amenities. The Tories smelt the danger generations ago, but they were powerless against insidious metropolitan measures of taxation devised to undermine their independence. Whatever their sins were, these men were not unworthy stewards of rural amenities. Whatever their motives for wanting agriculture to flourish, and however unsound their demand for Protection as a method of ensuring it, the truth remains that it is impossible to have rural beauty and rural penury at the same time. The signatories of the above letter mention something about the "appreciation of trees and landscape" yet all over the country trees are being cut down and landscapes ruined in order to make dangerous corners safe for motorists. The countryside is being turned into a dirt-track for high-speed commerce. Cinders for cereals. And then the Council for the Preservation of Rural England comes along asking for fourpences to make it all pretty.

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There is much rubbing of hands in the newspapers because the Canadian and American Wheat Pools have been defeated. Apparently the great frost did it. Vessels had to be diverted, with the result that Liverpool merchants picked up great quantities of wheat, and have now sufficient stocks to last several months. This has caused a panic across the Atlantic with the usual result that disloyalty to their agreements has broken out among the weaker members of the Pools who have rushed to sell at any price they can get. We do not know how much bankers' credit is supporting the Pools. No doubt the financiers will "stabilise" the position somehow, and will defeat the hopes of a cheap loaf which some papers are prematurely discussing over here. But all this is a side issue. What is overlooked is that a permanent defeat of the foreign Wheat Pools would be the final ruin of the British farmer. The maintenance of high Pool prices abroad improves the home growers' profits in the same way as a British tariff on imported wheat. So long as British agriculture is at the mercy of the "world price," the higher that price the better. The practical trouble is, of course, that the Pool-prices are not run up high enough to let the British grower in. There is no need to elaborate the remedy in these Notes. The adoption of a Social Credit policy could render saleable every scrap of grain in our countryside without reference to the world price.

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Mr. Snowden's attack on the Balfour Note went a good deal further than does the *Evening News's* lament over its misguided generosity. The latter says: "It's a pity, but it's over and done with." But Mr. Snowden said: "It's a scandal, and will have to be denounced." Whether this statesman intends to serve the State in another Party is his own secret, but at present he belongs to the Socialist Party; and what he says must be held to commit the Socialists until he is authoritatively contradicted by Mr. Ramsay MacDonald. There is no choice for Britain but between the two alternatives of standing up for Europe against American domination or of assisting America to exercise such domination. The Conservatives have chosen the first; and although their emphasis on an Anglo-French understanding is only a partial application of a pro-European policy, and leaves a certain amount of suspicion unallayed, it has evoked a greater measure of trust than a policy of detachment. The Socialist Party, through Mr. Snowden, is in form committed to modify this policy and to call John Bull back to his allegiance of 1920 when he accepted the disastrous job of serving dollar writs in Europe for Wall Street creditors. In these circumstances it is interesting to hear that the Socialist election campaign is going to be helped by a dollar subsidy. According to the New York Correspondent of the *Daily Telegraph*, the American Socialist Party decided on May 6 to appeal for funds to strengthen British Labour's bid for power. The appeal, which has been sent out by Mr. Morris Hillquitt, the International Secretary of the Socialist Party, states that the British Labour Party enters the election

> "With every prospect of success, but is seriously handicapped by the lack of funds caused by the infamous Trades Disputes Act spitefully passed by the Baldwin Government."

Mr. Hillquitt hopes to remit "some thousands of pounds" before the end of the campaign. Interviewed by the representative of the *Daily Telegraph*, he said that the idea arose out of his having received from "an American admirer of the [illegible] Labour Party" a contribution to their election funds, which he duly sent over to Mr. Arthur Henderson. The name of the giver and amount of the gift are not revealed. Mr. Henderson wrote a letter of acknowledgment, and upon reading it Mr. Hillquitt was inspired to take the action he did. This action, he said, was a "friendly gesture" by "lovers of international peace," who "stand for the same things in the United States for which the Labour Party works and struggles in Britain." In London the Industrial Correspondent of the *Daily Telegraph* has interviewed Mr. Arthur Henderson. It transpires that at no time have the Labour party "made any appeal to America" or "taken the initiative in securing funds from that country." Naturally when Mr. Hillquitt said to Mr. Henderson: "Would you like some dollars?" Mr. Henderson said "I should." The Labour Party had hoped to raise £100,000 for its special "Bid For Power Fund," which was instituted to make good the money lost by the freedom of trade unionists to abstain from the political levy, if they chose, under the Trades Disputes Act. But only £25,000 was given or promised. Hence there are serious difficulties in financing the 500 candidatures for which the Labour Party is responsible. More than half of them have no financial support from the trade unions. These and other particulars are in the *Daily Telegraph* of May 7. In a leading article on the subject that paper says:

> "Leaving aside the base expedient of falsely crying 'stinking fish!' for party advantage and at the expense of national prestige, the serious fact that stands out with sinister clearness is the principle involved in accepting foreign help in British Parliamentary elections. It is true that America is a friendly Power with peculiar bonds of kinship with Britain, but that is an accidental circumstance which does not affect the principle. That principle is the same whether the gold be Russian or American. It affirms bluntly and unequivocally that no foreigner should be permitted to intervene in our domestic concerns. This principle of our public life may not be fully understood in America, for funds were regularly subscribed there for the assistance of the Irish Nationalist party. But, as everyone in England knows, the Irish party vehemently disclaimed any loyalty to Britain. Mr. Henderson and his friends will scarcely advance that excuse. The public, we doubt not, will rightly judge the significance of such unworthy methods. To tolerate them would be to debase our public life at home and to set in train a dangerous cause of international ill-feeling.

We are afraid that the *Daily Telegraph* lays itself open to some embarrassing retorts. For instance, during the General Strike dollar-credits were placed at the disposal of London in unlimited amount if wanted. Again, and on a much wider issue, if no foreigner must interfere in our domestic concerns, the whole system of "internationalism" on all planes must logically be repudiated—and on no plane more emphatically than that of international banking. Interference is objectionable, but the practical injury caused by it lies not in itself, but in the measure of secrecy with which it is exercised. If Mr. Hillquitt's dollar funds succeed in landing the British nation with Mr. Snowden as Chancellor of the Exchequer, we shall at least know all about it. This American project to help Labour is openly admitted, and the anti-Labour interests at home have the best part of three weeks in which to exploit the information on their own behalf if they see fit to do so. In contrast look at the way in which the Dawes Pact was put across Britain and Europe without a debate and before anyone realised who inspired it or what it meant. Or look at the frequent visits of Mr. Montagu Norman to Mr. Benjamin Strong, the object of which still remains a close secret even if some of their consequences do not. Again, when the Bank Rate went up a little while ago, this was a case of interference with our domestic concerns at the instance of New York—for it accentuated trade problems in Britain in order to cure stock-exchange speculation in America. The *Daily Telegraph's* disclosure of the above information is useful, but its opinion about it is worthless. The fact is that all the three great parties are dollar-parties, whether they know it or not. The accepted canons of sound finance compel them to be such, for they automatically give creditor nations the right of interference with the domestic concerns of debtor nations. And that interference is exercised with the objective of preventing the debtors from getting out of debt. There are two means only of escape. One is a radical change in the financial system, the other is war.

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With reference to our comments on the honour conferred by the King on General Booth, the following announcement in the Press is significant.

> "What is described in the announcement as 'The true history of the revolt of the High Council (of the Salvation Army)' will be published shortly by Frank Smith, formerly for many years a commissioner in the Army.
>
> "Messrs. Jarrold, who are bringing out the book, say: 'The sudden attack of a few of the leading officers who called the High Council of the Army, will be shown to be the culmination of a plot to oust their veteran chief. The author vividly exposes an intrigue organised in America, and culminating at Sunbury with the deposing of the General with incriminating evidence, and also deals with the future prospects of the Army.'"

On the assumption that Mr. Frank Smith makes out his case we await with interest the *Daily Telegraph's* application of its non-interference principle.

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In a pamphlet entitled *Can Mr. Lloyd George Do It?** Messrs. J. M. Keynes and H. D. Henderson give an affirmative answer. These experts fire off figures like fireworks; and all the layman can do is to blink and say O-O-Oh! The *Observer* has singled out one item of the display for special admiration.

> "Since 1921 we have paid out to the unemployed in cash a sum of about £500,000,000—and have got literally nothing for it. This sum would have built a million houses."

So it would, if the unemployed had accepted wages at the dole-rate, and if all the necessary materials had been obtainable for nothing. But as things are in this evil world, we had better guess a higher figure. Let us say £1,000,000,000 as the amount spent on the houses. (The number of them does not come into the argument.) So the question is not which way you could have spent the smaller sum, but whether you spent the smaller or the larger sum. That is to say—taking token figures—is it more sensible to pay a man £5 to keep idle and not grumble; or to pay him £7 to work and to pay other people £3 for bricks, slates, and what not? The answer depends on what "we" get for the expenditure. In the case of the £5 dole "our" money is spent on food, and when the food is eaten there is no food to show, and (as the authors imply) "our" money has gone. But so far as the disappearance of our money is concerned, the same thing must happen to the £7 for wages and the £3 for materials. (If not, why not?) The only difference now is between "our" losing £5 with nothing to show and losing £10 with something to show. The difference is "the houses." Ah yes: the houses. There remain now only such trivialities as deciding whose houses they would be, who would buy or rent them, and where the money would come from. At least we presume that Messrs. Keynes

* Published by *The Nation and Athenaeum*. Price 6d.

and Henderson regard these questions as trivial, for they do not stop to mention them. If you put up £1,000 millions worth of house property, you have simply brought that amount of new values into the market for sale. At a five per cent. depreciation charge alone the market must find £50 millions extra a year for twenty years to absorb the new houses. That means that private incomes must be increased by that amount for that time somewhere among the community. But where, and how? Until these questions are cleared up we shall declare that it has been a better proposition for employed British people to lose £500,000,000 in lifting food *off* the market than to lose £1,000,000,000 in dumping houses *on* the market.

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On April 30 Mr. Baldwin was the principal guest at the annual dinner of the British Bankers' Association held at the Salters' Hall, St. Swithin's Lane. Lord Bradbury of Winsford presided, and the guests included Lord Hewart, Lord Melchett, Lord Illingworth, Mr. Reginald McKenna, Mr. Walter Runciman, Sir Claude Schuster, Sir Harry Goschen, Mr. Montagu C. Norman, Sir Richard V. N. Hopkins (Comptroller of Finance, Treasury), Sir Felix Schuster, and Lord Inchcape. Lord Bradbury, proposing "His Majesty's Government," paid a compliment to every political party, saying that they were all dominated by a real desire for the general good of the community. There were three principles that British finance was trying to preach to the world—"balance your Budget; stabilise your currency; and remove the barriers in the way of international trade." He believed that "British finance had succeeded in imposing those on the Continental nations." (Report in the *Financial News*, May 1.)

> "With regard to the stabilisation of currency, he would not say the Government chose the most favourable moment for the restoration of the gold standard. That was a legitimate matter of controversy, in which the Government might be regarded as competent to look after its own interests. They had re-established the value of their money, and every day had demonstrated the advantage of that course. It was a policy which, at its initiation, was bound to be unpopular, and he thought the Government were to be congratulated on having adopted that policy." (Cheers.)

It was not the Government but the Cunliffe Commission—a committee of bankers—who settled the time for the restoration of the gold standard.

> "With regard to the payment of our debts, the Prime Minister was responsible for the debt settlements to the United States.
>
> "He might have made a bad bargain, he might have made a good bargain, but it was essential he should make a bargain.
>
> "Again, taking the situation regarding our Continental debts, that had been a subject of political controversy introduced at a comparatively late period by the Labour Party. Had some of the criticism been made at the time he might have had a good deal of sympathy with it, but whether it was wise at this stage to rake over the dust and ashes of old controversy was quite another matter.
>
> "They might have made a bad bargain and personally he was disposed to think they did—but that again was a question of controversy, and the Chancellor of the Exchequer could be relied upon to look after himself in that controversy."

Yes, the Prime Minister was responsible for the American debt-settlement, but his decision was taken under the advice of professional banking experts. So was Mr. Churchill's in regard to the French debt-settlement. Lord Bradbury astutely avoided saying definitely that the settlements were bad (he could not very well pronounce them good), because he would have thereby called into question the value of expert financial advice. Notice that when stabilisation (i.e., deflation) is imposed on this country, it is the "Government" which does it: when it is imposed on Continental countries, it is "British finance."

Mr. Baldwin began his speech by showing how he got the American Debt-funding Commission to reduce the interest on arrears from 5 to 4¼ per cent., and to accept as future interest 3 per cent. for ten years and 3½ per cent. for subsequent years. By making a bargain instead of postponing the issue he had done something without which the "restoration of the currencies of Europe" would have been impossible, as would also have been the restoration of the "credit of the City of London."

> "As Prime Minister I have to survey the country as a whole, and what gives me satisfaction is this: That we have got a stable currency, a stability of the Exchanges, and a comparative stability of prices and of wages, and a steady, uninterrupted fall, without great variation, in the cost of living."

Seeing that the bulk of wages and prices are linked up with the cost of living we do not understand how they can have been stable during an uninterrupted fall in the cost of living. Still, it does not matter; the real cause for congratulation, as the assembled bankers saw it, was that home consumption could be financed with less money—the use of legal-tender currency could be economised—and the financiers could utilise a larger margin of credit for purposes which they considered more for the "good of the community" than encouraging them to eat, drink, and be merry. Mr. Baldwin was emphatic on the necessity for *stability* as against *fluctuation* in matters of prices and wages.

> "I call attention to it because it does affect the City of London. As long as I am Prime Minister I shall set my face against the Government interfering in that kind of finance, because it is not their business: it is the business of the City of London to see it is done as far as it can, and to see it done properly and with a view to ultimate profit."

This is a definite repudiation of the Government's right to do anything to (a) keep prices still or (b) cause them to move either up or down. It formally hands over the policy and technique of costing and pricing to the bankers. His reason is that "where the State takes a hand" in these matters, it is "most extravagant," and it is very difficult for it to be "impartial" as when these things are done "in the ordinary course of business." That is to say, financial policy must be immune from humanistic influences.

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How long the financial system will exist while continuing to ignore the natural instincts of the population is a live question. Mr. Baldwin seems to have some such idea hovering in front of his nose like the smoke from his pipe-bowl, for he proceeds to say:

> "As one who has been in a modest way a banker and an industrialist, I think it would be a thousand pities if there were not the closest and most friendly relations between bankers and the industrial world. The time may come when bankers will want all their friends. Let them be friends with the industries of the country, and if the financial interests all pull together I think they will be of a strength that can resist anything." (Cheers.)

Evidently Mr. Baldwin feels that the time has come when the bankers must seek allies. The policy he hints at is very vague. To talk of bankers making friends with industries is to talk phrases which, if they have any concrete meaning at all, are years behind the times. Once upon a time there was a class of industrialist proprietors, well distributed all over the country, and doing business with practically autonomous local banking institutions. Then was the time when something like an alliance of lenders and borrowers was feasible. To-day, for a large and constantly increasing part of industry, such local business is transacted between an irresponsible official representing the bank and an equally irresponsible official representing the business organisation. Before a transaction of any respectable dimensions can take place a resident clerk has to "submit the proposition

to the Head Office of his bank. And even the proposition itself is brought by a salaried manager who has previously had to get it endorsed by his Head Office. Both Head Offices are "somewhere in London." And both are controlled by the banker. Where is there the possibility of an alliance? An alliance presupposes two contracting parties. But when one has already absorbed the other, he has done all he can; and if he still feels dubious about his safety the only thing more that he can do is to start undoing what he has done. Mr. Baldwin's suggested alliance presupposes more or less decentralised systems of banking and industrial enterprises working in responsible collaboration everywhere. We have not got them.

> "My own conviction is that our industries are probably on a sounder basis to-day than they have been for years. I believe industrially the corner is turned. We have still some way to go. It means courage, it means perseverance, it means patience. But that we are moving into greater prosperity *if no cataclysm of any kind occurs*, I am certain." (*Cheers.*)—Our italics.

In other words; let the financial interests all sit tight on the safety-valve and we shall raise sufficient steam-pressure to lift us into prosperity if the boiler does not burst.

* * *

We would recommend readers of this journal to buy and study Machiavelli's *The Prince*.* If read with the insight that we may justifiably impute to them, it will afford many enlightening ideas in matters appertaining to present-day government. The hypothetical "Prince" to whom Machiavelli offered advice on how to maintain power over his kingdom, was an open autocrat. To-day we live under a disguised autocracy of bankers. Hence there are frequent passages in Machiavelli which may be construed as advice to the bankers. One such piece of advice bears on the question we have been discussing. It has reference to the kind of soldiers that a Prince should prefer—whether his own, or mercenaries or auxiliaries. Machiavelli singles out the mercenaries as the worst.

> "They have neither the fear of God nor fidelity to men . . . . in peace one is robbed by them, and in war by the enemy. The fact is, they have no other attraction or reason for keeping the field than a trifle of stipend, which is not sufficient to make them die for you. They are ready enough to be your soldiers whilst you do not make war, but if war comes they take themselves off or run from the foe."

Notice that Machiavelli makes loyalty depend on sentiment. Now, in the case of the people in control of finance there is no possibility of their inspiring sentiment. For one thing even the names of only a few of them are known—they are never seen by their "soldiers," whose only "fidelity" therefore is to their "trifle of stipend." We hope that members of the Bank Officers' Guild will recognise the aptness of this designation as applied to their salaries, and at the same time will absolve us from the intention to suggest that because they are unable to feel any sentiment for their unknown masters they fall under Machiavelli's sweeping general condemnation of military mercenaries as without the fear of God or fidelity to men. Having put ourselves right so far, let us return to the salaries. Whereas Machiavelli's "Prince" would, at least, pay his mercenaries a stipend sufficient to keep them satisfied during periods of peace, the bankers do not seem to think this is necessary. Nor is it only the question of salary which is causing discontent among bank officers, but something more fatal to fidelity, namely, the insecurity of employment itself in the face of machine-book-keeping. This is all the more a blot on the astuteness of the bankers, because already the external attack on banking policy has begun. One form of it, ironically enough, is manifested in a disposition shown by salary earners outside the banks to envy the conditions of those inside. A writer in the *Bank Officer* a little while ago pointed out this problem. He quoted particulars of the amount and conditions of his salary as a bank official and those of a friend of his of about the same age who was in another line of business. There was a decided balance in his own favour; and his moral was this: "How can we bank officers expect the sympathy and support of the public when trying to improve our conditions?" The "public" in this connection is the hostile force which the bankers have to meet, and therefore it is not a good augury for them that their own "mercenaries" should be considering the need of securing enemy support. Conversely it is a good augury for those who wish to usurp the control of the banker-Princes, for, in analogous circumstances in Machiavelli's time, he would undoubtedly have advised the would-be usurper to have no fear of assassinating the Prince, because once he was out of the way his mercenaries would have no reason to revenge him, but every reason to go on accepting their trifle of stipend. It is obvious that people who have no sentiment for a system have no hostility against an alternative, and much more certainly would this be the case where the new system gave them more money. The reason why Machiavelli's mercenaries would "run from the foe" was because, being mercenaries, they had no foe. Machiavelli further advises the "Prince" against mercenaries:

> "I wish to demonstrate further the infelicity of these arms. The mercenary captains are either capable men or they are not; if they are, you cannot trust them, because they always aspire to their own greatness, either by oppressing you, who are their master, or others contrary to your intentions; but if the captain is not skilful, you are ruined in the ordinary way."

Now the analogue of these "captains" to-day we will call the chairmen and other nominally responsible high officials of the Big Five. Of only one of these, Mr. McKenna, is it possible to say that he is skilful—and even of him only in a strictly qualified sense. We doubt whether there is one of them who is of that responsible type who might aspire to greatness in the sense of seizing power over general policy. In a crisis they would be equally useless whether they remained loyal to those who now direct policy or whether they joined the usurper. They are nothing more fearsome than the poets of any financial policy that they are instructed to uphold. And, being poets, each sings to a different tune: that is why bank chairmen's speeches are chiefly noted for their collective incoherence, or, where intelligible, for their mutual contradictions. Of course, the Machiavellian analogy does not fully apply. The power of the high financiers of to-day lies in their ability to hypnotise even the would-be usurpers into the belief that the laws of finance are the laws of nature. That is to say, give Machiavelli a Prince who, whatever things he did, could escape enmity by putting over the deception that their harshness was a sign of their necessity—and that whoever took power would have to do the same things—and there would be no call for that author to advise him how to take care of himself. But seeing that the population of Italy in his day were not "mostly fools," he had to advise a ruler how to rule people who knew who was ruling them.

* * *

All the arguments we have used can be given wider extension. Just as the loyalties in financial administration are "mercenary," so are the loyalties within the political administration. As the bank officer, so the Civil Servant. Tell them exactly what you require of them, reward them generously, and given that your policy do not affront the common humanities they will change their allegiance.

* Published in the "Everyman's Library" series.

Music.

Royal Opera, Covent Garden: " Der Rosenkavalier." May 1.

After Rome—and what a long way after—our dirty and, if the adjective be used in the sense of small value for much money, very dear London. Which reminds me that when some time ago I was making some comparisons between the *status operaticus* of London and Rome, I had not discovered what had been spent by the Romans in reconditioning their opera house. They spent between four and five hundred thousand pounds, which represents, roughly, ten shillings per head of the population of the city. Beecham, on the other hand, is having the greatest difficulty in raising a quarter of that sum from the whole of England—the whole of England that cares about music, that is. Seated the other night in my seat at Covent Garden, which cost thirteen shillings, in acute discomfort from cramped quarters and the ill-ventilation of the old Bow Street house, and from which, unless one distressfully balanced one's posterior on its very edge, it was not possible to see more than two-fifths of the stage, I thought regretfully of Rome and the splendid seat for which I never paid more than 7s. 6d., and often less. The worst seat at the Teatro Reale is better than the one I occupied at Covent Garden (and many are far worse even than it), and in Rome *all* the seats except the middle block are considerably cheaper. Some sort of arrangement exists at Covent Garden, but as it happens that one can see very much better from the side amphitheatre stalls than certain of the nominally centre ones for which full price is exacted, the arrangement seems neither reasonable nor fair. All these faults of the auditorium cannot naturally be laid to the charge of the generous and public-spirited body of the Covent Garden Opera Syndicate, who are valiantly facing the loss inevitably consequent upon any season of reasonably good opera in this *or any other country*. For yet again it must and cannot be too often repeated that the claim that opera can pay its way unaided is preposterous nonsense. I say opera, not performances *pour rire*—given with the supposititiary philanthropic motive of " Opera for the Masses," a motive cleverly made into widely disseminated advertising matter.

Nor can the Covent Garden Opera Syndicate be blamed for the shocking, lamentable, and antiquated stage settings. But the continued clumsiness and crudity of the lighting, the complete lack of satisfactory grouping and movements of supernumeraries, the horrifying gaucherie of the chorus, are not so easily excused. It presumably costs no more to misuse a spotlight than not to use it at all, for instance. And allowing for that disturbing effect of the vibrations of the singer's voice upon his brain, of which M. Dinh Gilly so often and wittily speaks, it is even then difficult to account for some of the things done by the chorus with their own unaided stupidity.

Of the singers, the finest in every respect was Frida Leider, as the *Marschallin*, a most beautiful, indeed, a consummate performance. Here was all the grace, dignity, and subtlety of the character expressed with superb insight and a superlative artistry that made this performance the greatest I have seen of the rôle. The marvellous elegance and ease with which the singer passed from a deliciously poised and buoyant recitative to pure and beautiful cantilena—the fascinating *bravura* of the light conversational tone in the first scene with *Baron Ochs*—the exquisite urbanity and suave charm of this brilliant study of a great lady of eighteenth-century Vienna—make one marvel with admiration at an artist like Leider who can pass from the great high tragic rôles of *Isolde* and *Brünnhilde*, in which she is so justly celebrated to this beautiful, fine, and delicate etching.

Richard Mayr, as *Baron Ochs*, tends to become increasingly clownish to an objectionable extent. Nothing that could be called singing came from him the whole evening—nothing but a long series of growls, grunts, shouts, and a grotesque *mezzoparlando*. Not thus did Paul Knüpfer, while giving all due expression to the comicality of the character as well as its coarse and brutal vulgarity, he also managed to sing, and beautifully.

And it seems since his time and the great days of Eva von der Osten and Claire Dux, we are not any more to have in London a satisfactory *Oktavian* and *Sophie*. Delia Reinhardt, though a capable actress, is an indifferent singer—a hard, unsteady, unpleasant tone, and no *mezza voce* at all to speak of. The *Sophie* of Gitta Alpar has, I think, considerable promise—the voice is good, and though she started poorly, she did some very good singing later, and towards the end in the last duet quite delightfully. Histrionically it was all somewhat raw and *gauche*, but here again are promising signs. The *Famnal* of Viktor Madin was admirable—a clever and cruel study of the fussy *bourgeois* " climber."

Among the smaller parts the *Marianne Leitmetzerin* of Odette de Foras was a delightful little character sketch, as was the Italian singer of Francis Russell. The orchestral playing was more than enough bad—dull, toneless, woolly, muddy, *tutti*, coarse, rough tone from horns and brass generally; in fact, all the usual *agréments* of London orchestral playing, the which to remedy no subsidies nor unlimited supplies of rehearsals will serve without a new breed of players.

Although inclined to modify my earlier opinion of " Der Rosenkavalier," so far as to admit an admiration for the very fine lyrical stretches, it is rather as a very marvellous technical achievement than as music that I find myself taking more kindly to the work. The consummate virtuosity of the handling of things like the many cross-conversations and rapid cross-cuttings, the gigantic resourcefulness and ingenious inventiveness in clever detail. All sorts of artful little parodistic allusions are an endless delight to the connoisseur of fine craftsmanship, and there is no denying that in this respect " Rosenkavalier " is a supreme achievement. The great arching curves of the melodic writing are magnificent in their proud easy span. It is the quality of the material as a whole about which one is dubious. Lamerie, Cellini, or Georg Jensen would, of course, still be themselves did they use pewter or lead, but they do use gold and silver—and a musician is also a sort of *orfèvre*—in sound. That it is more or less incumbent on him not to use material unworthy of his skill is, it seems to me, not an unreasonable expectation.

KAIKHOSRU SORABJI.

" I am disposed, therefore, to predict that the ' transfer protection ' of the Dawes scheme will come into operation very shortly, and that Germany will cease for the time being to make any reparation payments at all. In this case Mr. Churchill's Budget surplus may already have disappeared before the election is over."—Mr. J M. Keynes in the *Daily Express*, April 22.

" The Bank can buy all the gold which comes from the mines by bidding up the price, and it need not pay for it. Indeed, it has no means of doing so save by printing and issuing notes. If, on the other hand, gold is wanted for export, shippers must pay for it in some shape or form. This is curious, but true. Of course, the Bank must in like manner pay for gold which it buys abroad; but gold which is the property of British subjects and already in the country, the Bank can buy and merely owe for it. It may even take possession of it, giving only credit or notes in exchange. Why not, therefore, reduce the idle hoard of yellow metal and reduce the Bank Rate at the same time? Nothing prevents this course being adopted save a slavish adherence to an obsolete tradition."—*Shoe and Leather Record*, March 15, 1929.

Drama.

The Matriarch: Royalty.

Admirers of Miss G. B. Stern's novel, " Tents of Israel," are many and discriminating. Having seen its dramatisation as " The Matriarch," they may consider the faults of the play atoned for by the performance of Mrs. Patrick Campbell. Her Anastasia Rakonitz commands in the auditorium as on the stage. Watching her, listening with ears delightedly a-tip-toe for the illumination in every turn of voice, one falls gladly under the spell of perfect understanding and technique. In body, soul, and spirit, Anastasia lives. One does not put one's self in her place; one experiences service under her restless matriarchal command. Mrs. Campbell transforms a conception into a reality.

Runaways from the Rakonitz family are not ordinary deserters. They are political protestants against the terms of their enlistment under the apparently immortal dictator. She is the queen of a hive, denying to all except herself consciousness, individual or social, or the right to aims of any kind. Those only can stay with her who have the sap of the Rakonitz tree in their spines. Anastasia welcomes the birth of grandchildren as increasing her command. She has never been wrong. Her faith in her wisdom is so hot that doubt of it is impossible in her presence. In prosperity or poverty she manages, plans, rules, in the glorious name of Rakonitz. There is no stopping such a woman; and if she has been obeyed through years of success, the only resource for her victims when she blunders is suicide or assassination.

One other performance was of the calibre of Mrs. Campbell's. Isaac Cohen, jeweller, was played by Abraham Sofaer in a style to remind one that it is as appropriate to say Hebrew gentleman as to say Spanish nobleman or French seigneur, as it is uncouth to say American gentleman. Mr. Sofaer distinguished Isaac Cohen with decision, courtesy, and humour, creating a finished character with the most perfect economy of speech and gesture. Beatrix Thomson's Toni Rakonitz, inheritor of the matriarchal crown, achieved complexity of character; she combined physical feebleness with spiritual fire, as required to do. But she did not produce the firm form and substance of a future ruler. She rather portrayed mental instability, and resembled one who might deliver an impassioned speech for the losing side, and then collapse in hysteria. Danny Maitland as performed by Hugh Williams was a selfcontradiction. The character does not appear to be a waster, but a boy who has the wrong blood in his veins to swear allegiance to the house of Rakonitz. Mr. Williams gave the impression of being a waster. His manner of pronunciation alone destroyed all possibility of belief in his independence of spirit. A word which I guessed to be written " mouldy " was pronounced more than once by Mr. Williams as—to set it down as nearly as I can—" maildy."

While the character of Anastasia is great portraiture and great acting, the play raises again all the questions as to the advisability, and even possibility, of re-expressing in another medium a conception already expressed in its appropriate medium. The novel is a stream form. As Balzac showed, its limits of time are at eternity; as Conrad showed and Wells tried to show, its limits of space are at infinity. The drama, on the contrary, is a shape within a limited frame. If to see Heaven in a wild flower is plastic art, to see eternity in an hour is drama. In the flow of the novel first one and then another character floats on the surface, while characters temporarily out of sight are also for the time being out of mind. It is as though one character was under spot-light, with the rest of the universe blacked out. In a play, however, once a character has appeared—and the sooner all have appeared the better—he should not pass out of the audience's consciousness again. Each character has a figure in the pattern of the whole. On or off the stage, all are present. " The Matriarch " is still a novel, illustrated not dramatised. Its themes are strands plaited in time rather than knots in consciousness. Its change of focus from grandmother matriarch to granddaughter matriarch does not light up a moment of consciousness; it merely diverts the time-stream.

After All: Stage Society.

With Mr. John van Druten's " Young Woodley," the schoolboy mind ceased to be Professor Hayward's soft gramophone matrix to be scratched ineradicably with learning and good habits. It had to be recognised as individual, sensitive, growing, and organic. No longer was the obvious treatment for a boy who complained of having a soul to tell him that he would get rid of it as he grew up. Mr. Druten seemed to be on the devil's side, boldly recommending the fruit of the trees of knowledge of good and evil. His " After All " has re-assured the most lethargic minds of London that he is on the side of the Victorian angels. They have read his play as a confession that there is no place like home, sweet home after all.

Two children, a boy and a girl, have been brought up under apparently fairly lax parental discipline, marred only by a possessive mother. The girl rebels, follows her instincts, and lives half openly with a married man whom Mr. Druten exonerates through the gift of an invalid wife. After the wife's grievous decease the erring sister joins her widower in certificated connubial bliss and ejaculates litters of children. The boy has submitted to his possessive mother, and to please her has done his father's job in all respects but one. When the mother dies he is inevitably allured by Bohemia, where he succeeds as an artist, as a sort of A. A. Milne and Barrie combined, and marries a Russian dancer who has seen life and the world. She, after telling him some home-truths, deserts him, whereupon he crawls tearfully to his sister's to lodge there in contented appreciation of what it feels like to reach home.

Mr. Druten has psychological insight and a remarkable capacity for epigrammatic revelation of states of mind. He can produce actable parts and effective curtains. The opening scene and the scene between the boy and the Russian dancer are as good theatre as the author's deservedly successful previous work. But he is not now pleading for understanding of youth; he is not tragically following his misunderstood young people through their lives. He is pleading for rest from the labour of understanding. He is neither so sure of, nor so enthusiastic for, this modern youth as he appeared to be. Let those who patted his cheek for his good words remain self-satisfied. Mr. Druten has surely too intelligent, too brilliant, a mind, to suppose that the boy's problem was resolved by flight to his mother's successor. Mr. Druten believes in the Russian dancer with her frank amorality at least as strongly as he pities the wandering boy he brings home. Bohemia may be more like hell than Shelley found London; but for Mr. Druten it is better theatre.

The end of the boy causes one to ask whether the sorrows of modern youth are not due merely to the absence of their fathers at the war when they ought to have been wielding the rattan. Several times before either child left home I should have applauded the father had he scrapped Mr. Druten's lines and punched somebody's nose. Granted that the older generation made a mess of civilisation, there is little sign that the younger has any but one of two desires: a vague yearning for things to be made better for them, or a desperate wish for the fling of

irresponsibility. If all it wants is to sob its way home again after abolishing tradition, discipline, and morality, God send it a dictator.

Production and acting were a credit to the Three Hundred Club and Auriol Lee. Excellent performances were given by Helen Haye as the mother, Richard Bird and Norah Balfour as the children, Frederick Lloyd as the father, and Muriel Aked as an aunt; and two exceptionally fine small parts were played by Elissa Landi, as the crude but energised dancer, and Clive Morton as the picture of bourgeois contentment attained by such as never wanted to leave home.

PAUL BANKS.

Jacob Schiff.*

An adequate review of a book of this character would require a general review of the aims, methods, and results of the existing financial system. Taking these for granted, however, Mr. Schiff, as revealed by the selection of his letters in these volumes, offers a fair exhibition of the mentality of the Jewish financier and an interesting example of the international and all-pervasive scope of his operations.

We are introduced to Mr. Schiff in the year 1847, in the city of Frankfort-on-Main, by an entry which reads: "Schiff, Moses; Israelitish citizen and merchant of this city, whose wife Clara, née Niederhofheim, gave birth on Sunday morning, January 10, at five o'clock, to a legitimate son, Jacob Henry." The distinction drawn between the geographical and racial citizenship is significant.

In the survey of the activities of his firm, Messrs. Kuhn, Loeb and Co., we find that their activities were interlocked more especially with those of the Rothschilds, the Amsterdam Bank, and the Warburgs, and in particular in London with Sir Ernest Cassel, the mentor of Mr. Winston Churchill. The relations between Mr. Schiff and Sir Ernest Cassel appear to have been long and intimate, and to have had reactions upon the history of the world which ought to disabuse any politicians, if there be such, of the idea that it is the ballot box which decides the history of nations. The Marquis de Soveral, the witty friend of King Edward VII., on being asked by him if he had seen *The Importance of Being Earnest*, is said to have replied, "No, Sire; but I have grasped the importance of being Sir Ernest Cassel."

Concerning the Japanese-Russian war, Baron Takahashi, Vice-Governor of the Bank of Japan, writes:—

> "Thus his sympathy was fully enlisted for Japan. He was justly indignant at the unfair treatment of the Jewish population by the Russian Government . . . a system of government which was capable of such cruelties and outrages at home as well as in foreign relations must be overhauled . . . for this purpose it was deemed desirable to admonish the ruling class of Russia by an object-lesson. . . . Mr. Schiff saw in the war callously embarked on by the Russian Government a welcome opportunity of giving effect to his cherished idea."

Whatever may be thought of the respective merits of the Russian and the Japanese cases, we are left in no doubt as to the reasons actuating the application of the financial determinant, or of the identity of the Rulers of the Ruling Class.

While, as might be expected, the back-bone of the financial structure of Messrs. Kuhn, Loeb and Co. was, and is, banking and insurance, their activities extended to any industry which might be ripe for exploitation. During the middle and latter part of the nineteenth century, the American railroads, in particular, engaged their attention; and the Harriman connection, which can still be seen in the extensive grant of Russian concessions under the Soviet regime, to the Harriman interests, was founded at that time.

An interesting example of the inevitability with which industrial enterprises come under the control of financial interests is afforded by the case of the Westinghouse Company, founded and built up by the genius and enterprise of Mr. George Westinghouse.

During the crisis of 1907, engineered by the banking interests as a retort to the "free silver" campaign of Mr. Bryan, the Westinghouse Companies, by reason of their rapid expansion, found themselves defenceless against the calls of their bankers, although overwhelmed with lucrative orders. This situation was utilised to depose Mr. Westinghouse from control of his undertakings; and Mr. Schiff remarks subsequently,

> "We should not like to see anyone placed at the head as to whom we cannot feel from personal knowledge that he is not only thoroughly capable, but independent of all influences with which the interests of the Westinghouse Company are not certain to be predominant. . . . I am writing to you with such freedom, hoping that whether it be Mr. Thorne, or anybody else, no decision of selection of chairman be made that shall not have Mr. Jarvie's and our own endorsement."

Mr. Jarvie was chairman of the Bank Creditors Committee. *L'etat c'est moi.*

In his private life, as is very general in such cases, Mr. Schiff was a considerable philanthropist, and took a lively and personal interest in the affairs of the city of New York. He was a supporter of the Red Cross Association, many Hebrew charities, and, I believe, to a considerable extent, of the Salvation Army.

The book is well printed in clear type, upon good paper, and can be recommended to any reader who wishes to obtain an insight into the real forces which govern the destiny of men and nations.

C. H. D.

*" Jacob H. Schiff. His Life and Letters." By Cyrus Adler. Two Volumes. (William Heinemann, Ltd. 36s.)

The Screen Play.

"The Broadway Melody."

The outstanding fact about the sound film is that its technical development has immeasurably outstripped its artistic evolution, due largely to Hollywood having insisted on trying to run before it had even learnt to crawl properly. In the result, we have a flood of films on which a sound accompaniment has hastily been welded, often after the film itself had already been finished as a silent screen play, thus making the "talkie" still more of a hybrid. There has been no time either to write, or select, scenarios suitable for the new medium, or to develop the technique for the specialised form of dialogue that it requires.

In "The Broadway Melody" (Empire), one is able to contrast these strongly-differentiated stages of technical and artistic evolution. Here is an admirably produced film, skilfully and sympathetically directed by Harry Beaumont. Good use is made of effects whose outlines have been sketched by various distinguished believers in the sound, as distinct from the talking, film. I single out the tapping of dancers' feet as calling for notice in this connection. The music is also less tinny than in most similar productions, while the very difficult problem of making speech audible above music, without damping down the music, making the speakers shout, or imposing a strain on the listener, has been successfully solved. All this shows promise. But much of the speech was indistinct; the accent of Anita Page is distressing to a cultured English ear; Anita showed to much better advantage in "Our Dancing Daughters," in which she did not talk. More than distressing is the crude poverty of the American vocabulary as exemplified by this film; an impassioned declaration of love is made in some such form as, "Say, you're a swell kid," and it appeared impossible for any of the characters to begin a speech without an introductory "Gee."

The film is also too long; and the story is banal and threadbare. We have already had in "My Man" the *motif* of the two sisters who love the same man, with the resulting "Family Herald" self-sacrifice on the part of one of them, who henceforth lives only for her art, such as it is, and repetition rather more than palls. And how can one take seriously a girl who accepts with open eyes such gifts as an expensive flat, a Rolls Royce, and a costly bracelet, and then fights like a tiger cat when the donor offers to kiss her in circumstances which make it extremely improbable that, with the best intentions in the world on his part, he will be able to rape her?

"The Broadway Melody" will certainly be a great box-office success, and it has one artistic justification, in that it has enabled Bessie Love, after years of disappearance from the screen, to show herself such an excellent actress that producers will not willingly allow her to return to obscurity again. Miss Love, indeed, carries the film, and it is an interesting commentary on the "talkie," that in certain instances it permits the dynamic personality of a player to manifest itself with greater force than in a silent film. Milton Sills, in "The Barker," affords a parallel instance.

DAVID OCKHAM.

Prestige or Pleasure.*

Although Dr. Erwin Wexberg's treatise on Adler's method of individual psychology presupposes some knowledge of psycho-analysis on the part of its readers, it is pleasurably readable and intelligible. In spite of disturbing inversions of the English order of words in the translation, it is obvious that the author holds his ideas clearly. Both among professionals and the lay students a book at once so thorough and so comprehensive should increase understanding without bringing tears. Either explicitly or between the lines the author effectively answers most of the criticisms which have been brought against Adler's method. He passes very quickly beyond psychological theory to give most of his space to the demonstration of a working model, and to education for physicians.

* * *

Much trouble has been caused through misunderstanding of the object of individual psychology, which is by no means identical with the objects of Freud's psycho-analysis," or of Jung's "analytical psychology." While Freud is, of course, a physician, he is much besides. He cannot refrain from mixing hypotheses relating to the nature and purpose of psychic energy with the art of curing neurotics. Freud is one of the great scientific discoverers of all time; and it is as such that he will most probably ultimately be remembered. Jung, who is as important a meta-psychologist as Freud is a scientist, is similarly drawn into the formulation of universal concepts. He fishes his symbols for what occurred in the dreams of last night from the very waters over which the Creator breathed. He cannot rest satisfied until he has traced each thread in the maze-like pattern of evolved mind to the shuttle thrown by God's first thought. He wipes out time and space under the compulsion to obtain an explanation of the eternal.

* * *

The school of individual psychology—it is more a school than either a laboratory or a church—regards itself purely as physician. Dr. Wexberg reminds the healer to whom he gives advice that one of his duties is to avoid the appearance of a priest in authority initiating a novice into secret doctrine. His duty is to provide a social comradeship in which the patient, finding himself at ease, will heal himself, and rid himself of fear, together with the self-depreciation that goes with the neurotic's counterfeit bluff. As a school the individual psychologists do not advocate, investigate, or preach, any political, religious, or mystical doctrine. They do not seek explanations. Their aim is to send the individual on his way rejoicing. To make men and women at home in the universe is the function of others. To make them at home with their work, their families, and their fellow-creatures—and that only after they admit that they are very much not at home—is the task for which individual psychology is claimed by its practitioners to be fitted. Its aim, then, is to enable all those, young or old, who are afraid of self-humiliation at the hands of life to live. It is folly to demand from it more than the fulfilment of its aim.

* * *

As treatment for neurosis individual psychology is in the tradition both of practical religion and commonsense. The maxims and aphorisms of La Rochefoucauld and a score of other observers, as well as the counsels of the prophets on the way to peace of soul, would sound quite appropriate in the mouths of individual psychologists. Their psychology is no revelation of new, strange, and even shocking truths, as the theories of Freud were. It is purely the raising to a method what the best teachers have always practised, though on the strength of individual insight alone, and not on a basis of confirmed observation and experiment. In every family and public-house quarrel the parties learn their true motives for offensive conduct from each other. The man who is for ever running better men down is told that all he proves is his resentment against not feeling as big as they are. The commanding oldest brother is told that he is not father if he thinks he is. At every reconciliation, however, the truth is apologised for. What the individual psychologist shows to his patients is precisely these truths, not to humiliate and silence, as in the quarrel, and, as a consequence, later to be apologised for, but to bring about that self-knowledge which leads to more healthy self-orientation in regard to actual circumstances.

* * *

The central feature of the individual psychological method is that it treats the individual as a goal-pursuing entity. Sex, instead of being, as in the Freudian system, the steam exerting all the pressure to activity of every kind, and thus the object of inquiry and solicitude in all disorders, is given a subsidiary role. It is not looked upon as the dominant of the whole life system, but merely as one of the functions of the individual. Far from the individual existing so that sex may find expression, whether or not sublimated, sex is considered one only of the individual's modes of life. This fact renders Adler's method less attractive as an intellectual occupation for neurotics than Freud's. Adler's method does not flatter neurotics into self-congratulation at being more courageously naughty than other people. The boy who clings to his mother, according to individual psychology, is entitled to no backstairs self-admiration for psychic rebellion against the incest taboos. The probable explanation of his clinging is that he is shirking the reduction of his exaggerated self-esteem which he fears would ensue from actual test among his peers. He probably needs teaching that the feeling of being God Almighty which the submission shown to him by his mother gives him is false, and will surely let him down later. He needs to be encouraged and equipped against the feeling of "inferiority" which drives him out of the larger and more "real"

*" Individual Psychological Treatment." By Erwin Wexberg. (Daniel. 6s.)

environment. Sexual symptoms of neurosis, as Dr. Wexberg shows convincingly, are generally found to accompany the pursuit of justification for private ego-esteem. The victim needs support for an opinion of his worth which is not merely exaggerated, but untenable by anyone in actual contact with other human beings. More than one man who has felt unequal to his job has pretended to despise it, and alternated bad performance of it by trying to prove to himself how much more potent he is among women than ordinary men are.

* * *

This difference between the attitude of Freud and Adler is fundamental. To Freud all inner conflict is traceable to one source, guilt at the desire for forbidden pleasure. Get rid of the guilt, it is argued, by convincing the patient that we are all as wicked as he, which is the same thing as none of us being wicked, and the neurosis will disappear. To Adler all neurosis is traceable to the individual's fear lest a false prestige be destroyed through actual test. As Dr. Wexberg writes, it does not matter whether Adler's interpretation is the only "true" one from any given point of view. What does matter is that it is the most helpful one for the purpose of quickly encouraging the victim to stand up to circumstances, and to give up cherishing a false prestige in favour of pursuing a "social" and a "real" prestige. The schoolboy who stands by the water not daring to dive in after his fellows may possibly be guilty of an incestuous desire, which he dare not divulge, to return to the water. Though his conduct may be so interpreted, his egoistic reason for the desire is probably fear for his prestige elsewhere. He demands security in which to admire himself. He runs away from adventure where his worth would be tested, and his imaginary importance brought into line. The desire for forbidden pleasure is, in individual psychology, rather a symptom of egoistic protest against the authority that forbids than the primary cause of the disorder. Some of the wider implications of the system, particularly in regard to the "norm" of psychological health, will be dealt with in a further article. R. M.

Proverbs for Propagandists.

I wonder whether an old hand may offer some hints to the "newch'ms" of the K.K. and the Economic Party? I am an old bookseller and book collector with a hobby-horse of my own which may seem, at first, to have no connection with your new economic propaganda. My interest is in Proverbs and Proverbial Sayings.

A proverb has been aptly described as "The wisdom of many and the wit of one," and it was Lord Bacon, I think, who said "The genius, wit, and spirit of a nation are discovered by their proverbs."

Well, it seems to me that the Economic Party may like to have a number of such proverbs as part of its arsenal, for if it is out to reach the people it must give forth its message by using words and ideas and phrases which are slumbering at the back of the mind.

It would be useful to take the careful research work of the folklorist, the regional geographer, and the archæologist and touch to life names and things and customs and places now overlaid and smothered up. Disraeli, in his essay on the "Philosophy of Proverbs," very justly remarks that "The experience of life will throw a perpetual freshness over these short and simple texts; every day may furnish a new commentary; and we may grow old and still find novelty in proverbs by their perpetual application."

The following proverbs might surely have been specially made for the Economic Party, so apt they are. They are taken, for the most part, from Ray's collection, first published in 1670. The copy from which I quote is called "A Compleat Collection of English Proverbs, etc., the whole Methodically Digested and Illustrated with Annotations, and proper Explications. By the late Rev. and Learned J. Ray, M.A., and Fellow of the Royal Society. To which is added (Written by the same Author) A Collection of English Words Not Generally Used. The Third Edition. MDCCXXXVII."

I may say in passing that this is a book that might well merit the attention of Sir William Joynson-Hicks in his general campaign against "obscene books." However, the "obscenity" here is not the half-draped hint, but a downright cow-pat.

Here, then, are my selections from Ray's famous "Compleat Collection":—

So we have the chink, we'll bear the stink.
Never be ashamed to eat your meat.
Even small birds must have worms.
Look to the main chance.
Beauty buys no beef.
Where coin's not common, commons must be scant.
He may well be contented who needs neither borrow nor flatter.
There's no companion like a penny.
Less of your courtesy, and more of your purse.
It's a wicked thing to make a dearth one's garner.
Debt is the worst kind of poverty.
A pennyworth of ease is worth a penny, not more.
An empty purse fills the face with wrinkles.
A single fact is worth a shipload of argument.
Fools make feasts, and wise men eat them.
Where every hand fleeceth, the sheep go naked.
A man may lose his goods for want of demanding them.
An ounce of mother-wit is worth a pound of clergy.
A nimble ninepence is better than a slow shilling.
Robbing Peter to pay Paul.
Prate is but prate, 'tis money buys goods.
Riches are like muck, which stink in a heap, but spread abroad make the earth fruitful.
You may pay too dear for your whistle.
Fair words will not keep a cat from starving.

No doubt there are many more, and maybe the Economic Party will set about making a collection for their own use. Those who follow Einstein's Theory need not translate it from the formulæ of the space-time continuum. But the formula of the new economics is, I take it, different. You must, somehow, make it understood by Everyman; must, as the K.K. puts it, "forge the politics of the new economics," because it deals with our bread and butter. Einstein's mathematical calculations do not hit us in the stomach. The Exact Price formula does. And so I offer my mite of proverbial lore in the hope that it may be a hint in the right direction. E. G. S.

Reviews.

The New Spirit in Anglo-Catholicism. By Francis Underhill. (Mowbray's. 1s. 6d.)

This is a very sensible and (in the true sense) "charitable" tractate by one of the best known of Anglo-Catholic priests. He seeks to make better known the new outlook and temper which is coming to possess a considerable part of the Anglo-Catholic movement, and commends to Church-people in general an Anglo-Catholicism so conditioned. Roughly speaking, this new Anglo-Catholicism cares, not only for itself as practically a "denomination" on its own, but for the Church of England as a whole, frankly recognised as being essentially "comprehensive"; and it is also seeking eagerly to assimilate the New Knowledge, and, to that end, is embarking boldly on theological "restatement" (as witness *Essays Catholic and Critical* and the new *Commentary on the Bible*). Mr. Underhill seems to over-estimate the extent to which the new spirit has actually spread among Anglo-Catholics. In particular he skims very lightheartedly over what will prove the most difficult point of all on which to arrive at an understanding—Confession. Most Anglo-Catholics go very near to treating this as being, by rights, obligatory (though not, in strictness, "compulsory"). Till they recognise quite frankly that the fact of a man's not going to Confession does not even create a presumption that he is any less a "good Churchman" than themselves, there can be no real peace in the Church of England.

N. E. E. S.

Haunch, Paunch, and Jowl. By Samuel Ornitz. (Wishart. 7s. 6d.)

This is a most uncommon novel. It tells the history of a Jew, his rise to opulence from the New York ghetto. He fights his way out of the swarming mass of sweated workers by working hard to learn to cheat them himself. As a boy he steals what he can, and uses cunning to obtain what he cannot steal. "Play the game" is his motto, the game as it is played by those who are successful. By the time he is adolescent he is leader of a youthful gang of ruffians who extract "protection money" from shopkeepers, who pay to save their windows from being broken. The man learns to be a crook lawyer, learned in the manifold corruptions of the legislature and police. He tells his story so shamelessly, he is such a complete realist, that I found him quite absorbing to listen to. His love life is not neglected, and is told with the same frankness, but without the unnecessary details which so many sniggering novelists seem to think so interesting. Mr. Ornitz has seen this man and his environment at first hand; he makes no judgment on him except by the deftest implication; and he has so much material that he does not bother to be "literary." J. S.

Brownstone and Ivory. By K. Champion Thomas. (Wishart. 7s. 6d.)

This is a cleverly unpleasant tale, the more unpleasant because the author is so very clever. It chiefly concerns the relations between a father, his son, his son's wife, and a few common friends. The father is a cultured old gentleman who lives in a brownstone house in old-time New York, and treasures in his heart the remains of eighteenth century elegance. The woman is a vaguely beautiful creature with a skin like ivory. The son is a degenerate, a sadist, who derives sexual pleasure by tormenting himself with his wife's bodily beauty, by making her dance unclothed before him, by making her drunk and helpless, by watching other men being sexually attracted to her. . . . In the end he takes her out in a boat and drowns himself and her, which seemed to me an eminently proper thing to do. J. S.

Torn Tapestry. By Mona Gordon. (Fowler, Wright, Ltd.)

Oh, dear! What *can* one say about this book? I am a conscientious reviewer, and have always hitherto read right through any work that I have been called upon to notice. But here I stick half way. Although we are given some details of the hero's genealogy, samples of his early and abnormally priggish letters and much mention of his virtues, this so-called "Lion of the North" remains, no, not dead as mutton, for that once lived, but utterly non-existent. The same with all other names mentioned in the book. Grandiloquently written chapters of Maori history dragged in, and a purply phrased account of the well-known wreck of the Wairarapa in which the hero did *not* sail, do not add much to the value of the book. We may readily admit that the authoress "wields a facile pen," but that she ever has even a gleam of humour there is no evidence at all. However, in the latter half of the book all this may be atoned for, so let us leave it at that. P. T. K.

The Voice of German East Africa. By Dr. Hans Poeschel. (August Scherl, Berlin.)

One of the chief implements of the modern war-maker is popular hate. And, as you cannot properly hate your enemy unless you think him vile, we were made to regard all Germans as villains, and the German master of negroes in South Africa as expecially vile and beastly. This unnecessary little book sets out to prove that they were not so. It seems to have been written just after the war, and why it should now be translated into English does not seem clear, unless it be part of a propaganda for re-establishment of a German African empire. It is far too wholly insistent on the perfections of one side and the evil of the other to carry much weight. The main fact that seems to emerge from its statements is that the negroes remained, to a great extent, loyal to their German masters. Such loyalty in any of the finer negro races would never surprise us. P. T. K.

Old Man's Beard. By H. R. Wakefield. (Geoffrey Bles. 7s. 6d.)

A most excellent collection of short stories. Here are not conventional ghosts, creeping about haunted houses, in the stillness of night, but each is drenched with a sense of something spiritual, mystic. Mr. Wakefield makes none of his tales impossible. He writes with an expert's knowledge of psycho-analysis. All his strange happenings express the imagination of a super-sensitive mind. This must be one of the best books of mystery published this year, well planned, and well written. V. H. A.

LETTERS TO THE EDITOR.

RHYTHMIC MOVEMENT.

Sir,—Will you allow me space to draw the attention of your readers to the twelve-day Course of Rhythmic Movement which Frau Christine Maurmeyer is giving at the Dalcroze School on May 21.

This teacher's method of helping people to bodily control by showing them how to discover for themselves how their muscles and joints work, will, I am sure, appeal to NEW AGE readers who are consistent advocates of a policy which says "Learn how things are; use them as they are; in the trust that in this realistic usage grace will arise."

To us ordinary folk, teachers such as Frau Maurmeyer give a credit. If we learn the technique of bodily control, we may find that we are releasing talents for bodily plastic freedom and gracefulness that we had not hoped were latent in us.

To any of us doubtful as to how we shall use time under more leisured conditions, I would say, "Try Rhythmic Movement." The joyful experience of using one's body as an instrument, individually and in company, will dispel any misgivings that "free time" might be a doubtful gift.

May I add that Frau Maurmeyer has more than held her own in her school in Munich, a town possessing at least fourteen Schools of Movement, and probably almost double that number of schools of ordinary dancing.

MARY CULPIN.

[In last week's advertisement of this course the name of the lady was Mauermeyer. It is now set as written in Miss Culpin's letter.—ED.]

THE OPEN FORUM.

Sir,—Forgive me: I am not unmindful of past favours. In my defence be it said that in your note you made no exception in respect of discriminate criticism. You tilted in a boldly original way against the impudence of critics who expected you to open your columns to their expositions; and you asked squarely and *tout court* what you got out of it.

And here let me say that I look forward with pleasure each week to reading THE NEW AGE, the mystical incomprehensibility of the A + B formula notwithstanding, and I recommend it to my friends. HENRY MEULEN.

ANSWERS TO CORRESPONDENTS.

A. G. CRAFTER (Victoria, B.C.).—You complain that "far too many professing Social Creditists in Canada simply make Major Douglas their god and THE NEW AGE his prophet," and state that this "tends all the time to nullify" your "work in organising" the Economic Freedom League. You say: "Surely none of you [us] want this self-immolating adulation," which causes our Canadian readers to "oppose everything which has not the warrant of Major Douglas and THE NEW AGE." "We need men who will think this thing out for themselves; and, as a whole, a philosophic, not merely economic, whole." But you give no indication of what we are to do about all this, except that you suggest that we ought to publish an article on the "philosophy" of Social Credit, showing the "spirit, principles and reality of the thing," on the lines of the extracts in THE NEW AGE of February 7 last. We have published further extracts since then; and more will appear from time to time; but we doubt whether these will do much to solve your immediate difficulties. The philosophy we believe in either coincides with your own or not. If it does not, we should not by furthering your objective by putting it forward; since your friends, as you say, treat us like an oracle. If it does coincide with yours, our influence ought not to be tending to nullify your organising work. If it is, there must be a divergence between how you and we would translate our common philosophic principles into political action. It is a pity that instead of making a general complaint you did not give concrete examples of some of your suggestions as organiser which our Canadian readers have opposed. We should then have probably been able to think out for ourselves whether their resistance proceeded from a hypnosis or whether from clear reasoning. We are inclined to favour the latter explanation; for whenever we have expressed a judgment on any matter connected with the Social Credit theorem we have taken care to explain the grounds upon which it has been based, and to do so in plain straightforward language. We think that your troubles arise because you have not made up your mind whether you are trying to run a political movement or found a church. We notice that the "summary" of "Aims" of the Economic Freedom League printed on your letter-paper are as follow:

> "Negatively opposed to the existing system; positively to promote in politics, industry and finance, Responsible Government, and *pari passu*, Social Credit: together with increased real incomes, leisure, and the right of all to economic security."

"Responsible Government" we remember as a formula of your own, which, when you were in London, you often tried to explain, but without enlightening anybody. Unless you have since defined it we think its inclusion introduces unnecessary complications. If you can conceive of a Social Credit economic system presided over by an irresponsible government we shall be interested to know how.—ED.

The Social Credit Movement.

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

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

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

All communications should be addressed, Manager. THE NEW AGE, 70, *High Holborn, W.C.1.*

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