THE NEW AGE

INCORPORATING "CREDIT POWER."

A WEEKLY REVIEW OF POLITICS, LITERATURE AND ART

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NOTES OF THE WEEK.

The Midland Bank's *Monthly Review* for August-September discusses briefly the question whether this country is now passing through a period of inflation. The query is raised because of the depression of sterling against German and French currency and the exportation of gold by Britain to those countries. The discussion is documented by eight charts showing curves of Bank of England deposits, securities and reserve; London Clearing Banks' deposits, advances and cash; Midland Bank's current-account monthly averages expressed as percentages of its total deposits; comparison of the Bank Rate, Treasury-Bill issues, and the sterling value of the dollar; volume of overseas trade; comparison of the cost of living and wholesale prices; and bankers' clearings; production and employment. They are all based on statistics covering the period January, 1927, to July, 1929. We do not propose to discuss them: we merely record their publication for the information of economic students who have a taste for microscopy. They may pick up a few items that will help them in their exposition of the principles of a reformed credit-policy; but, generally speaking, the discussion centres round certain *minutiae* of credit-technique, and can be left for the Midland Bank to carry on in its attempt to win administrative money-technicians over to the progressive wing of the "Bankers' Party."

* * *

The following extract from the text, however, may be quoted:

> "It will be seen from the first chart that the Bank of England has almost fully neutralised the gold outflow by increasing its holdings of securities."

Had it not done so

> "We should have been forced to accept a drastic measure of deflation.

The moral is that if the Bank can neutralise a tendency to deflation which "ought" to be set up under its classical law, it can also neutralise a tendency to inflation which "ought" to take place under the same law. If any Central Bank pleads that it cannot put plenty of money about, when conditions would appear to justify its doing so, the reason is not that nature forbids, but because the rules of the international trust to which all Central Banks belong prohibit this being done. The High Financiers know as well as we do that in any country where there is an unused reserve of production-power, it is an easy technical proposition to expand credit without raising prices, and so to bring into operation an unused reserve of consumption-power. In fact it is precisely because the proposition is so practical that they have formed their international bank-merger: for this world-wide organisation exists chiefly to stop any national bank or Government from applying the technique.

* * *

It is of no use the High Financiers pleading the excuse that a national experiment on these lines would mean blue ruin. In the first place, the national ruin, if it came, would not affect them as directors of the world-trust, because their stability does not depend on the fortune or misfortune of any one country. If Britain, for instance, tinkered about with Social Credit and made a mess of it, does anybody suppose that the world-banking interests, insofar as they were associated with British industrialism, would not have been able to dissociate themselves long before the crisis came, and to have "got out from under" before the crash. And, even granting that a national experiment is too large for the initial trial of a new financial policy, there still remains the alternative of an experiment by a selected group of industries in a country. The persistent refusal of the money monopolists to approve even the smallest tentative exploration of a new credit-policy cannot be attributed to an instinct of self-preservation, in the sense in which producer-capitalism might fear for the economic security of its undertakings, profits and dividends. It can only be plausibly defended on the moral ground that they feel it their duty not to allow other people to make mistakes. This defence is not openly resorted to by the professional financiers, for the obvious reason that it would raise two questions: (1) Is the monopoly of credit a monopoly of wisdom? and (2) Granting that there will be mistakes, need they be irretrievable?

* * *

In regard to the first question we need do no more at the moment than refer to the late Lord Milner's disparaging criticism of the mentality of bankers in general, based on his personal experience of them as a high administrator. He had never encountered a class of people, he declared, who were so immune against ideas which they could not smell in their ledgers. (This is a paraphrase of our faulty recollection of the passage in question. Perhaps some reader can send us the authentic version: it will be useful to reproduce.) In regard to the second question, we need only point out that the whole of the post-war period constitutes a history of the retrieving of financial miscalculations. If the bankers urge that these difficulties are due to obstructions to their policy placed in their way by non-banking interests we shall have to ask whether the "policy" was not an "obstruction" and the "obstruction" a policy. What has been this obstruction, considered comprehensively, but the efforts of employers to earn a profit and of workpeople to earn wages—or, speaking internationally, of the efforts of Governments to provide means of economic security for their subjects? No reflecting mind can concede antecedent wisdom to a body of financiers who, after a war in which the whole world proved that it could double its current production, and in fact added probably as much as fifty per cent. to its permanent productive assets, calmly laid it down as a postulate that the war had deferred for a generation or more the possibility of providing people with articles of consumption in reasonable quantity. It is so manifestly absurd that its formulation could only be attempted by people who wanted to play a trick. These people got away with it because the reflecting minds in those days had not begun to include credit in their repertory of subjects. Happily, since then, while Bluebeard has been roaming the world, his wife has begun to fidget round the castle. People are beginning to reconsider the question "Where is the money to come from?" and ask themselves "Where does money come from?" They will soon be reconsidering that other question: "Where has the money gone?" and asking themselves: "Where does money go?" And what if they do unlock the forbidden chamber and get blood on the key? It was not an irretrievable mistake in the old story, and it will not be one now. The NEW AGE is Sister Anne's handkerchief; and the brothers are not far off.

* * *

The spirit moves us at this juncture to make some preliminary observations on Mr. C. Marshall Hattersley's new book*, the official date of the publication of which is September 16. Mr. Hattersley needs no introduction to readers of this journal, many of whom have probably found his earlier book, *The Community's Credit*, one of their most effective instruments of propaganda. We suppose that there is not one person who has tried to explain Social Credit in what is called a "popular form" who has not been astounded at the degree of simplification that the public require before they begin to apprehend anything at all even about the system they live under, let alone the revolution of the system which Social Credit is designed to bring about. They are literally children—and very young children.

All fathers and mothers will agree that the most conspicuous characteristics of very young children are (1) the unexpected questions they ask, and (2) the number of times they fall down. It is well known that the best cure for a bump on a child's nose is a story in its ear—with a close cross-examination allowed afterwards. You are not permitted to slip by with the general story of how Little Red Riding Hood was saved from being eaten up—no fear, you've got to go back and gather up all the essential information which, in your adult clumsiness, you have missed out. How little was she? What sort of cloak did she wear? Had she got curls? How long were they? And what colour? How big was the woodman's chopper? Why had he got a chopper? Could *you* chop down a tree? . . . (No wonder that fathers think they'll take the dog out for a run before closing-time. What mothers do we will not dilate on, as this commentary must not digress into a discussion of women's grievances.)

* * *

Now Mr. Hattersley has designed his book for tiny toddlers. We do not refer to its text, but to its arrangement. He has, so to speak, prepared the floor for the child to find his feet on. There are chairs placed at easy intervals, and there are cushions bordering the line of route. So the child has a good chance to get across the room without falling; and if not the falls are soft. Mr. Hattersley's ingenuity in forestalling misunderstandings was well exemplified in his first book; but we should say that in this second book there are sufficient chairs and cushions to bulge Drage's windows. We marvel at his patience. He must have made a note of every question he had ever encountered, and (probably) conceived of some more. The answers are in their logical place in the book; and, as if this were not enough he makes a concession to lazy learning by analysing his chapter-headings, and providing indices, references, cross-references, and appendices. He offers strong encouragement to the practice of "dipping in" to a book. Possibly he is right, for the public are like children in yet another respect, that they prefer to eat their dinner out of the proper order of the courses—jam roll and cream first, and only afterwards the meat and potatoes (bread nowhere) if they have got room for it. Mr. Hattersley is an indulgent parent. Still, even spoiled children grow up; so he need not worry.

* * *

Another concession to the public is to be credited to his printers. The large size and the clearness of the type, and the excellence of the general arrangement, would make any book pleasant to read. Still another advantage is its cheapness. Three hundred pages for three shillings and sixpence tastes even better than the "Just Price," as things go in these days. This has presumably only been made possible by binding it in paper covers. The publishers do not state whether there is an edition in stiff covers, but no doubt this information will be forthcoming later on. Financial conditions being what they are we think it has been a wise policy of Mr. Hattersley's to introduce a comprehensive survey of the credit question from the Social Credit point of view at this low figure. We have often pointed out the dilemma in which writers on the subject are placed with regard to publication. The more they simplify it the longer the publication and the greater the cost. Unfortunately the people most in need of the simplification are, generally speaking, least able to pay the cost. Of course collectively they constitute a very wide potential market; but against this consideration must be set the unfortunate fact that the wider the market the more costly the advertising required to inform it of what is offered, not to speak of the high proportion of waste-advertising that must occur in the case of an offer with such a limited natural appeal to the average individual. However, these obstacles are made to be overcome, and since the most dynamic process of advertising is that of private recommendation, our readers can help to overcome them.

* * *

Although there is no limit to the angles of view from which useful books can be written in support of the Social Credit objective there is a distinct limit to the absorptiveness of the attainable market. With the exception of Major Douglas's books, we do not think there has been a single case where publishers have issued such books entirely at their own risk. We know of some cases where the author has taken the whole risk. We mention this fact for the information of everybody who feels that he has something of value to contribute. It means that it is of no use their sending the MSS to us for examination in the belief that its inherent quality is the only pre-requisite to finding a publisher. It is not. We know of at least three MSS which we should like to see in print, but their authors are not in a position to put up money, or to find private guarantees against publishers' losses.

* * *

Every new book on the subject that appears tends in varying degrees to make existing ones obsolescent in a commercial sense. To a large extent they ought to do so in terms of merit, for every writer who knows his job should make use of his knowledge of the ideas and modes of presentation of writers who have written before him. Having a respect for all the writers alluded to, and an admiration of their initiative and courage in spending their time and risking their money on their public-spirited enterprises, we wish that a great deal more could be done to speed up the aggregate demand for literature of all sorts on the subject. In course of time we think that Miss Connor Smith's monograph, *Where Does Money Come From?* will have a healthy influence in this direction, for it is an excellent attempt to destroy the common delusion that the subject of economics, as such, belongs to the world of "materialism" and tends to obscure "higher" issues if not actually to defeat "higher" objectives. It would not have been consonant with the tone of Miss Connor Smith's serene and lofty persuasiveness for her to have suggested that the above delusion suited the policy of the money-monopolists, and was being sedulously fostered by them; but it lies within our province to make the suggestion. It is obvious that insidiously disseminated disparagements of the importance of the study of credit as a subject must be even more powerful disparagements of the study of any specific credit proposals. If the *whole* is an over-rated proposition, how much more the *part*. That is how the idealists of the community are being drugged into looking at the proposition; and Miss Connor Smith has created for herself the unique role of applying an antidote above all our heads. If the various schools of credit-reformers were so many colliery owners, and the bankers were a group of teachers urging people to "Use less coal," it is obvious that the former would have to do some counter-teaching on the same plane:—"Use more coal," without troubling for the moment whose coal. For they would see that until people began to familiarise themselves with the burning of coal they would not be interested in the comparative qualities of the article. To a small extent, Miss Connor Smith's advertising may bring the Social Credit Movement some orders among the rest—not many, of course, because the moment that the bankers saw that she was popularising the study of credit reforms they would do their best to head her converts off after the worst brands. But we can at least console ourselves that her moral background sets off our technical arguments well, and in fact tones with them better than with any others on the controversial stage. It is our duty to exploit her general thesis to the advantage of our particular campaign.

* * *

In the meantime the difficulty of marketing *specific Social Credit literature* remains. We do not know whether it could be done, but we should think it would be a useful piece of work for some trusted member of the Movement to collect information from the authors (if they agreed) with the object of ascertaining the aggregate sum, if any, that they had not yet recovered against their expenditure, or that they stood to lose under guarantees to publishers—also the quantity of unsold stock, and the approximate rate of current sales, if any. Some of the particulars would have to be supplied by publishers; and, of course, the authors could ask to be provided with them. Some of the advantages of getting a comprehensive view of the situation will be realised. For instance, the bookselling season is opening, and there is Christmas ahead. We invite correspondence on this idea from the parties concerned (not necessarily for publication).

* * *

After this digression let us resume about Mr. Hattersley's book. We have an uneasy feeling that in what we have just been saying, we may have contrived to present him to any casual reader in the invidious role of spoiling the market for other writers. This, as our readers in general well know, is not in our mind at all. For one thing, Mr. Hattersley was the first writer after Major Douglas to publish a *book* on Social Credit; and this present book replaces the old, of which we believe that very few, if any, copies are in print. It *is* the old book; but practically wholly rewritten, and tremendously enlarged. Possessors of *The Community's Credit* will confirm our statement that it concentrated on presenting the essential arguments for Social Credit in the fewest possible words. We happen to know something of the ruthlessness with which he pruned away the slightest shoots of elaboration, sentiment and rhetoric that he detected in the first proofs. In fact the pruning was done to such an extent that the making of the corrections in type raised the cost of the book by an unpleasantly large amount; otherwise he would have been able to achieve what he had desired to then, and has achieved now—the production of a thorough exploration of his subject at a really cheap price. *This Age of Plenty* is the body of which *The Community's Credit* was the skeleton. The flesh of the body—the additional matter in the book—comprises apt and important allusions and quotations relating to events and opinions since the war. By this means his original exegesis has developed into something of a story. The book sounds a more human note: it remains just as free in style from exuberance of emotion, but it makes the reader feel as well as understand that the subject affects his interests and aspirations as an individual.

* * *

Another prominent feature of the book is Mr. Hattersley's summaries of the essential elements of other proposals for credit reform, and his manner of comparing these with, and differentiating them from, those which are comprised in Major Douglas's more comprehensive proposals. This policy we consider to be most useful. Social Credit not only has nothing to lose by fair comparisons and evaluations, but everything to gain. Consider a case. A person reads for the first time a book all about Social Credit and nothing else. It sets him thinking. He talks. Sooner or later a friend says to him: "Oh yes, but you ought to read Mr. So-and-so's book on that subject." He does it. What is the probable effect in nine cases out of ten? He takes the reasoning and conclusions in the second book which confirm those in the first as the essential truth of the matter; and he ignores the divergencies as immaterial. What is more natural? What do we all do with an unfamiliar subject, unless we have previously decided to study it systematically and thoroughly? But a reader must be an obtuse fellow indeed to miss Mr. Hattersley's emphasis on the all-important divergencies. For instance, in one part of the book the author summarises Professor Soddy's proposals; then he summarises Professor Soddy's criticism of Major Douglas's proposals; and then he himself briefly analyses both sets of proposals and comments on the criticism. Comparison—contrast—judgment: that is his method. And similarly he uses in turn other sorts of credit-analysis and proposals, each as a touchstone for estimating the elements of truth and error in the others. Each, so to speak, is given its turn to be considered as the centre of gravity; and the final effect is as nearly as possible the same as if one had been able to read three or four books simultaneously without confusion. Tennyson said that a truth that is half the truth is ever the worst of lies. We say that a convert to Social Credit who is only half-converted is worse than not converted—or, if that is considered too strong a statement, we will substitute the judgment that he is no use to the Movement and has wasted our time. Mr. Hattersley is out to make complete converts if possible, but in any case to ensure that if not they know why. We have not had time to read the book through, as it has only just reached us; so we will defer further comment until later.

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* "This Age of Plenty." By C. Marshall Hattersley, M.A., LL.B. (Sir Isaac Pitman and Sons. 300 pp. Paper cover, 3s. 6d. net.) Also obtainable from the Credit Research Library.

About Things.

Appended are some notes bearing on the relations between America and Europe, and particularly America and Britain. Some are new, and the rest are recapitulations. Together with those published in this journal during the last few weeks they form an excellent compendium of facts for speakers and writers to use and elaborate.

The bitter financial and commercial struggle between Great Britain and U.S.A. in South America—Wall Street's tentacles round the Latin-American Republics (with possible exception of Chile and the Argentine)—importance of British " Missions " to these two countries—Chilean Navy built on British model and orders placed with British shipyards—Chileans named " The English of South America "—Lord D'Abernon's present activity in the Argentine—orders for Great Britain—hostile reception of President Hoover recently in Buenos Aires—greeted with—among other things—cries of " Down with Yankee Imperialism " and " Long Live Nicaragua! "—Colombia a dependency of U.S.A.—vast American concessions there: Tropical Oil Co., Andean Oil Corporation, United Fruit Co. (the last named has its own wireless station in Santa Marta Bay, on the Atlantic Coast, and is in direct communication with Washington!)—American Financial Adviser at Bogotá (Colombian capital)—vetoing of British contracts in favour of American concerns—British Gold and Platinum Co.'s incessant litigation with American interests in Colombia—mystery of British Chargé d'Affaire's helplessness to assist—does he act on instructions? (references to Colombia are for the period 1925-1926, but from information received last year there is reason to believe that the state of affairs is the same.

Indignation of Spanish Press in 1928 over American invasion of Nicaragua—bitter comments re Kellogg Pact, " the sob-stuff of American politics "—speculations as to *why* U.S.A. wanted another canal—*Ante Los Barbaros* (" In Face of the Barbarians "), a book dealing with Yankee penetration in Latin America was published about 1922 and created a sensation on the Continent *but was not even mentioned in this country*—*Qui Sera Le Maître, l'Amerique ou l'Europe?* (" Who Will be Master, America or Europe? "), published in France recently (1928), but practically unnoticed in this country—proposal made in Yankee newspaper in 1928 to annex British West Indian possessions as " the Debt obviously cannot be paid " (expression of American fear of the West Indian Islands as submarine and aeroplane bases in event of hostilities with Britain)—vulnerability of Panama Canal—easy to destroy by few well-placed bombs on the locks—once the Panama Canal is destroyed (and in the absence of Nicaraguan Canal) the fighting value of American Fleet would be halved—American protest at entry of Cunard Line into competition for passenger traffic on the Havana-New York route (" unfair competition," presumably because British liners stress the " liquor attraction "—Cunard's reply: must earn revenue to pay the Debt!—renewed protest (September, 1929) by Americans at " unfair tactics " of British shipping companies—statement that American ships only carry 5 per cent. of traffic between U.S.A. and Europe—Mr. Shearer's revelations about his pushing of American naval-contractors' interests at Geneva.

American Shipping Board's instructions to its European branches: " Managers must go all out to make the U.S. Mercantile Marine the first in the world—we are going to have the largest export trade, we must therefore have the largest mercantile marine, and the largest navy." Any Briton in service of United States Shipping Board regarded with suspicion and debarred from any position worth having—in American concerns no Briton can hope to get any of the higher positions, but Americans in British concerns often occupy the highest positions. (Cf., Barcelona Traction Co., Barcelona: Chief Engineer is an American.)

Following my recent references to America's difficulty in manning her navy, the case of the American cruiser " Pittsburg " can be quoted in illustration. In 1924 an English visitor to this ship at a certain port " somewhere in the world " was surprised at the mixture of nationalities that went to make up the crew. " A veritable Tower of Babel," he described it. Perhaps a more apt and suggestive description would be to call it a sort of League-of-Nations battleship—one of the early model units of the bankers' world-fleet. Among the nations represented on board there was of course Britain—several ex-British gunners were pointed out to this visitor by petty officers who spoke of their having suddenly joined the American Navy. Little wonder that, as all our navy men know, British men-o'-war rarely touch at American ports.

* * *

It was common gossip in New York in 1925 that many British engineers had recently arrived in the States—they were Key-men, whose jobs had been provided for them before they left England *in defiance of the U.S.A. immigration regulations.* The natural conclusion of the people who observed this sort of thing was that America was forming a corps of technicians for her armaments-service. One of our Members of Parliament would do some good if he asked for a return of the number of technical men (Naval draughtsmen, engineers, gunners, torpedo-men and sailors) who have emigrated to America since the Great Slump of 1920 as compared with the number who have emigrated to British possessions.

* * *

Where will British Navy men go after Disarmament—or partial disarmament? Even if retired on full pay, or double full-pay, Uncle Sam could easily trump the pension with the offer of a lucrative job in the States. And, as an American observed recently, any man's nationality could be changed as quickly as his uniform when it suited the American Government. Were the danger merely that of tempting Navy men, however badly treated by their own Government in the matter of compulsory-retirement terms, to transfer their allegiance in any considerable numbers from the King to President Hoover, it could be discounted to zero or thereabouts. Edmund Burke once declared that it was futile to expect people generally to live continuously at a heroic level; but if there is one body of men whose traditions or temper will guarantee their voluntary fulfilment of that ideal it is the men who constitute the British fighting services. The danger of formally disloyal action on their part is nothing: what has to be watched is the danger that they may be induced to do something *effectively* disloyal, under the illusion that they are thereby observing a " higher loyalty "; that is to say, they may be offered service, not in the American Navy, but in an International Navy. It might be an Anglo-American Navy; or an Anglo-American-German Navy. The last would be the appropriate formation, because it would accurately reflect the composition of the Court of the Bank of England. Since we no longer fly the King's Head on our currency notes, and consider ourselves no less loyal than we were, how shall we expect sailors not to take service under the Bankers' Flag?

* * *

Here is a useful quotation from the immortal *Mr. Dooley*. It applies beautifully to the Insurance Acts, Woman Franchise, and other things too numerous to mention.

> " Don't ask f'r rights. Take thim. An' don't let anny wan give thim to ye. A right that is handed to ye f'r nawthin' has somethin' the matter with it. It's more than likely it's on'y a wrong turned inside out."

And here is another for the benefit of those people who deplore the restlessness of labour about wages and other grievances. It is Boswell this time; and he mentions of Dr. Johnson that

> " As he was passing by a fishmonger who was skinning an eel alive, he heard him ' curse it because it would not lie still.' "

It was only a few weeks ago that the Liberal Press was acting the role of this fishmonger. The occasion was the disclosure in the Shearer suit in the United States that Mr. William B. Shearer had been hired by the American naval-construction firms to put spokes in the wheels of various disarmament proposals at Geneva between 1926 and 1929. One of Mr. Shearer's methods was to publish articles suggesting that Britain and Japan were trying to steal ahead of America. " Ah," was the exultant note of the leading-article writers, " now the public can see how wars are fomented." Very well: suppose it can. All that these fellows are proving is that armament-manufacturers object to being put out of work. The stewed-eels of Political Pacifism are very desirable, no doubt; but you cannot eat them without skinning the live-eels of Economic Employment.

HERBERT RIVERS.

Things Held in Common.

II.

(*Concluded.*)

The following meanings are given by the Standard Dictionary (abridged) for the word " sense ":—

(1) the faculty of sensation,
(2) any one of the five special faculties of sensation,
(3) bodily feeling in general, especially as productive of pleasure or pain,
(4) rational perception accompanied by feeling; realisation,
(5) normal power of mind or understanding; sound or natural judgment.
(6) significance; import; meaning,
(7) a consensus of opinion; judgment of the majority,
(8) that which commends itself to the understanding, as in accordance with reason and good judgment.

Thus the word " sense " is employed to mean almost every power of the mind, and common-sense probably includes all that conscious intelligence can do in face of any practical problem or situation in the absence of specialised knowledge or expert counsel. What is assumed by everybody who admires common-sense is that the use of senses and mind, evolved and developed in the effort to live on this world, is for living more abundantly on this world. Common-sense is always humanist.

Common-sense, as Orage said, is always esoteric. When the Galileans began to say that the world moved round, and that the sun stood still, it was, of course, common-sense as well as Joshua that rose against them. But common-sense, unlike the biblical cosmogony, was neither fixed nor divinely revealed, so it was amenable to correction, instruction, and practical test. Thus the new genius gradually became common-sense, in astronomy as it did later in biology as regards evolution. Economics, which, like other sciences, was neither experimental nor statistical in its beginning, started as a number of propositions which depended for their demonstration on the capacity of others to understand them. One theory was that new industries sprang up so rapidly that the labour set free by machinery would for ever be absorbed. Another theory said that the more machinery the fewer jobs, for which reason it was common-sense for the workmen to destroy the machines. Nowadays common-sense says that the more efficient the machines the more men can be set free to do what they please; but the people who speak this common-sense are looked upon as, for certain, insane as regards economics, and possibly blasphemous as regards work. Common-sense is a revelation that only a capacity for jumping from standing on one's head to standing on one's feet can fit one to receive.

* * *

Common-sense, in short, is one of those occult mysteries which it is difficult for anyone to use, but still more difficult to probe into. It implies gumption in the face of the new, fortified by the acceptance of experience as true; it includes a certain animal sagacity, that goes the right way home even drunk and in the dark; it implies a certain accommodation between the aims of a man and his means or capacity. It is against all anti-social fads, against all fanaticisms and obsessions. It is intuition, intellect, emotion and instinct working as one unit, with only practical and humanistic ends in view.

* * *

If a pound weight be suspended by a string and the string cut, will the weight fall? Science replies that it is impossible to say. Science says that a degree of probability based on experience and certain philosophical principles can be suggested provided a thousand other conditions are known. But knowledge is impossible. At the best it can only be said that under the conditions implied the pound weight has up to the test in question fallen in every instance. What it will do next time is still to be discovered, since uncommon, or scientific, sense, can demonstrate no causes, and can record only sequences. Common-sense says that the pound weight will fall.

* * *

The ejaculation " that is common-sense " is sometimes heard when an expert has explained to an unusually quick-witted layman a scientific view of something or other quite contrary to the layman's view. If an engineer explains to a layman how the screw of a propeller works in the same way as a screw that fastens two pieces of wood together, and then defines a screw as an inclined plane spirally surrounding a cylinder or cone, the layman at once realises that here is common-sense. But it may dawn on him at the same time that he is inheriting at one stroke a vast legacy of social, abstract, thought. It may be said, indeed, that the common-sense solution of any problem is the one that every mind would give were it sufficiently informed. It is the practical understanding that belongs to every mind in common. To arrive at common-sense, however, every mind requires to be either a genius, or to be passing, all life long, through a process of continual initiation.

R. M.

Marriage Reform.

Last week the World League for Sexual Reform held a conference in London. One of the speakers was the Rev. Dr. W. F. Geikie-Cobb, Rector of the Church of St. Ethelburga the Virgin, and chairman of the Marriage Law Reform League. He said that married people should have the right to end their union by mutual consent, and that the ending should be respected by the State.

> “ But England, a priest-ridden country, still lags behind. It will take it another hundred years to appreciate the words of John Sheldon, ‘ Of all the actions of a man’s life his marriage is the least concern of other people, yet of all actions of life *it is the most meddled with by other people.*’ ” (My italics.)

Dr. Bernard Hollander spoke a little later and said :

> “ Marriage is the most important step that a human being can take, yet *the law places practically no restrictions upon it.*” (My italics.)

What are the public to do about it then? To interfere, or not interfere?

I suppose that one could reconcile these mutually contradictory grievances. For instance, one could say that “ marriage reform ” was hindered both by the non-interference of statute law and by the interference of common sentiment. This is precisely the difficulty which Miss Radclyffe Hall complains about; and it is a pity that this lady was not invited to the Conference. She has made the issue much clearer than did the speakers who were there. For instance, it would be a fair summary of her criticism to say that although it is granted that two girls may settle down openly to live together as husband and wife, without being summoned before the Courts, the trouble is that if they do they stand very remote chance of being presented at Court.

Law or no law, married people in general impose on themselves disabilities which a few people want to escape. If the law gives the latter the right to infringe this renunciatory convention, why should these people demand in addition that the rule should applaud the exception? For instance, Miss Florence Austral, the Australian prima donna, has been excluded from the Three Choirs Festival at Worcester. The organiser, Sir Ivor Atkins, informed her present husband, Mr. John Amadio, that this was because her name had appeared in divorce proceedings some years ago. Mr. Amadio, who is described as being her “ business manager ” in addition to the other function, told an *Evening Standard* representative that for the last two months he had been making “ enormous efforts ” to keep the news of this decision from his wife, “ who is even more sensitive than most artists.” The whole episode reminds me of those British generals in the Boer War of whom it was said that they took pianos with them in the campaign. Of course there is no evidence that Miss Austral is a marriage-law reformer, but the situation in which she must soon find herself is the very problem that people who are waiting to take advantage of the reforms will have to face—the problem of how to be pioneers without hardships. Why should the clergy of Worcester—who are not hard up for good voices—have Miss Austral if they and the people for whom they act do not want her? I remember a young yachtsman once, who said something to me about the way they have in the Navy. A captain might get into a bit of a mess with his ship, and it might be damaged. When the question of promotion came along, and he was passed over, he would remind the authorities that the accident was not his fault, and so on. The reply of the authorities, he said, would be to this effect: “ Very sorry, old man; jolly hard lines your having had this happen to you; but, you know, there are *two or three thousand other captains who had not had it happen to them!* ” So Worcester’s answer to Miss Austral might be in this form: “ Very sorry, Madam; we quite realise that in the divorce episode you might have been more sinned against than sinning (if indeed you sinned at all), but at the same time there are two or three thousand equally qualified singers who have not been involved in such affairs.” Speaking generally, sexual waywardness is the price paid for artistic genius. A Covent Garden audience expects to hear the product of genius whatever its moral concomitants. But not a cathedral audience. Mr. Amadio exclaimed that such an attitude was “ tyranny worthy of the Middle Ages.” He has no sense of humour.

Allowing, for the sake of argument, that popular prejudice against easy divorce is wrong, and assuming that it were to be trained out of its error by the reformers, the adoption of their reform would only serve to disclose and strengthen another form of prejudice—a prejudice that would arise from the inequitable distribution of opportunities to take advantage of the newly-conceded rights. The moral anomaly would disappear only to unmask the money anomaly. For instance, the Married Women’s Property Act was a fair enough measure for its immediate purpose, but even supposing that every married woman in the country lived on such terms of incompatibility with her husband as to desire to “ protect ” her “ property ” from his expropriatory impulses, how many of them possess property worth the trouble of protecting? And, similarly, how many incompatible couples to-day could afford to separate even were the Law to assent, and Society to smile?

When marriage-reformists declaim about “ prejudice ” they should remember that some of the reforms that have already been accomplished and command general approval have little more than “ prejudice ” to justify them. For instance, everybody agrees that a woman’s repugnance to physical cohabitation should not be overborne by the law, or society, or relatives, or the husband—notwithstanding the fact that normally such cohabitation is the central condition of the marriage contract into which the woman has entered. By the way, there is a book worth reading on this subject. It is called *A Celibate’s Wife.* It is many years old, and I forget the author’s name (Maxwell, I fancy). It treats of a clergyman who married a lady under a mutual compact of Platonic association; the parish was to stand to them in the place of children. Very well-meaning, no doubt; but the clergyman altered his mind while the lady did not. In fact she subsequently found herself in love with someone else—a gentleman of notorious free-thought tendencies in the parish whom she first met by calling on him to convert him to Christianity. The story describes the clergyman’s growing importunities, the lady’s resistance, and later, her flight home to her relatives. Then the lawyers are brought on to the scene to apply for an annulment of the marriage on the ground that it has not been consummated. But one night the clergyman gets her back to the Vicarage by a trick, and consummates the marriage by force. The free-thinking gentleman arrives too late; and strangles the clergyman. The average woman will applaud the retribution (though not the manner of it), but if she were asked to construct an intelligible logical argument why, she would fail: the reason would lie in her bones rather than her brain.

I do not mean that instinctive feelings should never be met by reasoned argument. But for a “ reformer ” to brush them aside as “ prejudice ” is very often a symptom of his instinctive wish to restrict the argument to those planes of experience and knowledge which he chooses as his frame of reference. The length of his plumb-line may not be the depth of the water.

JOHN GRIMM.

“ July, ’14.”

> “ —nothing doth more hurt in a State than that Cunning Men passe for Wise.” (*Of Cunning.* Francis Bacon.)
>
> “ What we call the ‘ just possible ’ is sometimes true, and the thing we find it easier to believe is grossly false.” (G. E. Middlemarch.)

Emil Ludwig* adorns the title-page of “ Juli ’14 ” with Ballin’s despairing outburst:

> “ It was not necessary to be a Bismarck in order to have avoided this, the most stupid of all wars.”

But he fails to grasp the central fact that it was the Ballins and their financial accomplices who made the great catastrophe inevitable. In all probability Ballin dreaded war, but he suffered, like the rest of his kind, from congenital incapacity to see that their schemes and methods could have only one end. Perhaps it was the realisation of this, when too late, that brought his brilliant career to a tragic close in 1918.

Now, after reading and re-reading Ludwig’s “ study in the stupidity of the once-powerful,” as he calls it, one is inclined to agree with the author that

> “ 500 million peaceful, industrious, sensible people were hounded into war by a few dozen incapable leaders by means of falsified documents, lies about threats, and patriotic phrases,”

if, for “ incapable ” we substitute “ cunning.” Certainly there has never been recorded in history a more striking example of the danger that the State incurs when power drifts into the hands of “ cunning men,” or, as we should call them nowadays, the careerists; for do they not easily become the blind tools of that subtler power which uses their greed and conceit to further its own ends. And this is the weak spot in Emil Ludwig’s fascinating book. He has spotted the villains sure enough, but on the conditions that favoured their “ maleficent machinations ” he is strangely silent. It is left for literary luminaries of lesser magnitude to shed a glimmer of light on the obscure origins of “ the most stupid of all wars ”—a certain Mr. F. E. Holsinger†, for example, who, in his book on “ The Mystery of the Trade Depression,” protests that

> “ the German Empire of 1914 could not have been hurled into a world war even as Frederic the Great hurled Prussia into war against Maria Theresa in 1741. Some mighty influence alone could do the deadly work.”

In his search for that “ mighty influence ” Mr. Holsinger gets very near the truth; he attributes the source of disaster to the saturation of the German steel and iron industry. Having built all the railways for which a pretext could be found, adorned them with grandiose stations and equipped them with shunting-yards and workshops, the industry began to run short of orders; it “ was heading straight for a shut-down.” Hence the attempt to dominate Central and South-Eastern Europe and open up a road to the Near East by means of German-built and controlled railways. “ The War guilt of German capitalism,” says Mr. Holsinger, “ is stamped upon the face of Germany in steel and iron.”

If for “ capitalism ” we read “ finance,” there would be little to quarrel with in Mr. Holsinger’s indictment, but both he and Emil Ludwig have failed to trace the ramifications of the financial cabal who control industry and use “ cunning men ” to promote their policy wherever profit is to be made and power consolidated. William II. may have dreamed of the hegemony of Europe, but behind his legions the bankers of Berlin and Frankfort were building it up.

The bones of the legions are rotting on the frontiers of the East and West, but the names of the money lords were never in the casualty lists, and are not to be read on the rolls of honour. Perhaps Ludwig will look into this some day. Then there will be a sequel to “ July, ’14 ”—and it will be worth reading.

To speak of “ July, ’14 ” as “ giving the origins of the Great War ”—as one reviewer does—is inaccurate, to say the least of it, but as a story of the events that led to its outbreak and an appreciation of the schemers who manipulated those events for mean ends, it is of absorbing interest and a very Périgord pie of potted political biography. The series of portrait sketches are what might be expected of the author of “ William II.” and “ Bismarck.” They live, but whether they are true to life is another pair of shoes. Let us hope not. Take the sketch of the Austrian Foreign Secretary as a typical example, and as he comes as near being the villain of the piece as any of the actors in the sordid drama the words in which Ludwig introduces him are of outstanding interest:—

> “ Leopold, Count Berchtold von and zu Ungarschitz, Fratting and Pullitz; oval head, rather pointed chin, shapely nose, tired eyes, prematurely bald, close-cropped moustache, sensual, weak mouth, cynical and blasé, one of the most elegant of Vienna’s courtiers, a charmer when he likes, charming when he must be, a superficial thinker, careless in action, weak of decision and with the expression of a surfeited man of the world.”

What an “ ephemeral offspring of the unblushing world ”! In a body politic, reasonably healthy, a Berchtold might be a nuisance, but would hardly be a source of serious danger; there must be something rotten in the State when such tinsel fantoccini play the part that this puppet played in the events of July. One looks instinctively for the strings.

Where will posterity finally place this decadent aristocrat who, after

> “ having effected the breach between Russia and Germany, and after luring Germany into war,”

was, at the last moment,

> “ when Germans and Russians were already firing on each other,”

willing to discuss the situation with the Russians “ in the most friendly manner ”? Probably amongst the dupes.

No, the fate of the world does not lie in the hands of such “ cunning manikins.” It is doing them too much honour. They are the occasion, not the cause, of disaster.

Perhaps the most self-satisfied of all these puppets of fate was Iswolski, who is reported to have said, “ this is my war,” and hailed its outbreak as “ the proudest day in my life.” No wonder Ludwig describes him as

> “ the man with the most tortured brain and burning heart of those days ”

this “ Pasha with the brutal head, stubborn chin, and thick lips,” around whom centred

> “ legends of darkest Russia, of vodka, knout and women.”

He had *his* reward.

“ And so was Europe on August 4,” concludes this German Plutarch.

> “ For four long years the lies and levity, passion and fear of thirty Diplomats, Princes, and Generals transformed the peaceful millions into murderers, robbers, and incendiaries—for reasons of State.”

No, Herr Ludwig, it will not pass. You have given us a wonderful series of pen-sketches of the thirty mummers, of their mouthings and prancings on the stage of Europe—but you have explained nothing. The history of all that had cumulated on August 4, 1914, remains to be written—and that will not be until there arises a historian of genius whose study of the origins of the Great War will be based on the appreciation of the fact that the “ hidden Government ” which has the final say in all spheres of human activity resides, not in palace and chancelleries, but in the secret haunts of High Finance.

J. S. K.

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* “ Juli, ’14.” By Emil Ludwig. (Ernst Rowohlt Verlag. Berlin.)

† “ The Mystery of the Trade Depression.” By F. E. Holsinger. (P. S. King and Son, Ltd. London.)

Drama.

Yesterday's Harvest: Apollo.

"Yesterday's Harvest," by Gladys St. John-Loe, is a mixture of grain and poppies. But so many people regard a splash of psychic red as a pretty relief against the monotonous physical brown that the play may find a public if its promoters can wait until the criticisms are forgotten. The audience were enthusiastic at the end of the play. The most serious defects of "Yesterday's Harvest" can be described simply as too much straw: a prologue which is far too long for the matter it contains, a first act which is merely preparation of the ground, and dialogue which in places is too life-like to be entertaining—a fault which all women authors seem to have. In addition the plot is so far-fetched that characters pass too much time explaining how they come to be where they are. In the prologue an officer behaves as not quite a gentleman by refusing to marry his war-mistress because she is not quite a lady. Ten years afterwards the lady explains to the audience how she has lived the gay life in the interval, and how she proposes to vamp the younger brother of the officer, who is now Sir Philip Quinton, into marrying her. Thus she will be revenged by entry into the family for which she was ten years before not good enough.

Revenge, however, is a boomerang. The lady falls in love with her victim, and while Sir Philip is abroad on affairs of State she becomes a beloved member of the Quinton family as well as in a condition to continue its line. On the return of Sir Philip in the second act the play really begins; and the corn so long to wait for develops ear. For the work between the return of Sir Philip and the end of the act the author can be wholeheartedly congratulated. The curtain of this act was as dramatic a use of a thunderstorm as has been made on the stage. The third act also makes good use of stage effects. During the time, however, in which Philip and his one-time mistress sister-in-law hold their *tête-à-tête* of explanations, after which Philip, still in love with her, decides to accept another foreign engagement instead of taking a holiday at home, the drama in the souls of the two characters does not cross the footlights; and the end of the play is weak. The exploitation of hara-kari—for such presumably Philip's fatal motor accident soon after leaving was—is too easily adopted by novelists, dramatists, and magazine-story writers for bringing about an ending free from tension. In this case the accident or suicide was unnecessary.

The skill with which the author has accommodated her stage craftsmanship and effects to her plot is admirable, though a trifle too noticeable at times. Her arrangement of exits, for example, to enable the *tête-à-tête* between Philip and Margaret to take place, caused one to smile at its determined efficiency. Perhaps the best use of effects and the most interesting part of the play was the period in which Philip and Margaret, after his return from abroad, suffer their secret agonies while the rest of the Quinton family go on with their ordinary evening life; Sir Philip's brother-in-law and nephew continuing their perpetual father-and-son bickering, and the rest of the family their small-talk, wireless, and jazz; while a rain pours down outside the house so naturally that the audience hoped it would stop before they left the theatre. Such scenes as these, contrasting ironically the agony of the inner mind against the apparent gaiety of the environment, are done especially well by women-dramatists.

Miss Carol Goodner's Margaret was very well rendered, except in the prologue, where she could do little more than recite some very poor lines; here she gave too weak an impression of the emotional crisis which her abandonment by her lover must have meant. Later in the play she found the right key and never lost it again. As Sir Philip, Mr. Carlyle Blackwell could only confirm that no man is much of a hero to a woman dramatist. The sort of man so persistently and repeatedly drawn by practically every woman writer begins to make me wonder whether we really ought not to hold a commission of inquiry into ourselves. As Lady Lavinia Quinton, Marie Lohr merely had to sit in a chair at the middle of the stage and deliver the wisdom of the matriarch. The old philsosopher, with worn-out body, but all-wise mind, who sits at the front-centre of the stage, and comments on human nature and institutions past and present, ought to be done away with. As two children of eighteen, Enid Morgan and Edward Whitehead were excellent, as was Lamont Dickson as a type of English Conservative gentleman of the name of Beresford, and with more vanity than wits. One story told of him is rich enough to demand quotation, not merely because the actor delightfully succeeded in looking as if the story were true. To bring back the local voters to the Conservative Party, this gentleman had given a barrel of beer at the fête; but the happy results, instead of coming out at the polls, came before the donor as magistrate, the worst case having the impudence to tell him that he ought to take it as a compliment.

Devil in Bronze: Strand.

When the American film-magnates learned that the tests tried on the American army fixed the average mentality of mankind as equivalent to sixteen (or was it fifteen and a half?) years of age, they decided that, by catering for the average, commercial success would be assured. They did not seem to realise, however, that there are even good and bad sixteens. Everybody has a right to be sixteen some of the time, provided he be more some of the time; and provided also, of course, he refrains, during his intervals of being sixteen, from running a newspaper or speaking in Parliament. Last Christmas Day I read a "Jack, Sam, and Pete" through, and thoroughly enjoyed it. "Devil in Bronze" is a tale of adventure presented in action. It contains real thrills that can do no harm to the city type of people, whose lives are strictly regulated by time-tables and the routine of to-morrow. If the cinematograph could satisfactorily portray colour, "Devil in Bronze" would make a very good sound-film, the sound being used for effects of sea, wind, bells, etc., rather than for dialogue. The number and character of the scenes which Mr. Austin Page required for his play could have been far more satisfactorily presented by the screen technique than by the laborious theatre technique.

Luke, one of three partners in a gold-reef prospecting expedition, plots after success to obtain the shares of the other two. He conspires with Jem to maroon Seth on Dead Man's Buoy, with three days' food and drink to give him time for repentance, and he later encourages Jem to drink himself to death. Seth, left on the buoy, is not, however, drowned, but when he is rescued by a passing ship, he has been driven mad by the devil in bronze: by the monotonous ringing in his ears of the buoy's warning bell. He is not, however, so mad as the doctors at Vancouver had supposed. He has been using his brains to plan an artistic revenge, for cruelty always goes with artistry in melodrama. With the help of Luke's wife—Luke's explicit reason for leaving Seth on the buoy was for kissing his wife—Seth arranges for a bell, with the same note as that on the buoy, to awaken Luke every time he falls asleep; while the wife pretends not to hear it and attributes it to the voice of conscience. Luke at last discovers the bell, and, half-mad, attacks her, when Seth rushes out of hiding, and Luke, fancying him a ghost, has a stroke.

Some members of the audience found the bell monotonous before they had done with it; others,

caught by the mood of the tale, found that the bell took hold of them. As long as the play is action it is swift and thrilling, and an exciting action-portrait of the approach of lunacy. In the earlier scenes, however, and later, when action several times gives way to dull monologue and explanation, the movement drags seriously. As the three gold prospectors, Mr. Lyn Harding and Mr. Reginald Bach were excellent throughout, and Mr. Nichol Hannen was impressive in the scene on the buoy. As Ann, Luke's wife, Miss Phyllis Neilson-Terry had one good scene only, the second of Act II., on the return of the cured lunatic.

The Screen Play.

The Trespasser.

A future historian of the screen may be tempted to ask whether the growing popularity of the film with the Best People may not do it as much harm as has been inflicted on the stage since actors and actresses ceased to be regarded as pariahs. A film first night is now nearly as much a social event as in the theatre, and when, as in the case of "The Trespasser" (New Gallery), the star is not only present, but the occasion is a "world premiere"—London having seen this film before New York—the result is mob hysteria at its most ridiculous. An incidental result was also that most of the ladies and gentlemen employed to write newspaper criticisms devoted the greater part of their space to describing how a considerable number of large policemen tried to hold back the thousands who were endeavouring to obtain a glimpse of Gloria Swanson.

I hope the curious mob who impeded traffic in Regent Street enjoyed themselves as much as I enjoyed the film. This is one of the most considerable endeavours yet made to cure the growing pains of the "talkie." The dialogue is good, natural, and close-knit; the acting throughout is admirable, notably that of Miss Swanson and of William Holden, as the heaviest of heavy fathers; and the American diction is in refreshing contrast with that of the accents of most of the players in most of the "screamies" we have imported to date. "The Trespasser" will be intensely disliked by professional highbrows, and it is to be conceded that the story of the proud girl who secretly marries a rich man's son and then leaves him to bring up in poverty a child of whose existence he is unaware, is neither strikingly novel in fiction nor strikingly common in life. Moreover, although a happy ending is an inevitable concession to the box office, it is brought about by the employment of coincidence carried to the point of complete improbability.

These are, however, conventions of the commercial film, and "The Trespasser" deals with genuine human emotions, handled without sentimentality. The introduction of a child in most American films is the occasion for "sob stuff" of a nature to make the judicious vomit. Edmund Goulding, who wrote and directed this film (and is incidentally an Englishman), makes a mother part with her child without a close-up or even an embrace, and Gloria Swanson nobly plays up to her director's restraint, for which alone the film would be worth seeing. Miss Swanson shows herself to be an actress of far greater distinction than she has ever appeared on the silent screen, where her talents were on the whole of a mediocre order. How much of the improvement is due to capable direction, and how much to the fact that the "talkie" may be a more suitable medium for her, cannot be decided until we have seen her in further talking films. But if "The Trespasser" is to be regarded as a criterion, and I think it is, Miss Swanson is a valuable recruit to the new screen.

Why Be Good?

This film, which I notice merely because its star is the charming Colleen Moore, was in the same programme. It is a magnificent exemplification of how the industry does not know its business. Miss Moore made her name in "Flaming Youth," since when she has never been allotted a part worthy of her, although even banality of plots and hackneyed situations are powerless to hide the fact that she is a great comedian. Hollywood is responsible for this endeavour to hide a light under a bushel, but presumably Wardour Street must take the blame for not even advertising that "Why Be Good?" is to be seen by the public. Yet when this film is generally released, it will probably be heralded by a flood of publicity matter recommending it with all the wealth of all the superlatives known to both Hollywood and Wardour Street.

DAVID OCKHAM.

A COMPETITION FOR AN ESSAY ON CREDIT.

The Alvan T. Simonds 8th Annual Economic Contest, 1929.

To arouse a more general interest in the subject of economics as related to individual and general welfare.

To develop a better understanding of the application of economic principles to business.

To secure a clear and forceful statement of how the total amount of credit available in any given country at any given time is limited, and how the use and abuse of this credit affects the prosperity of the country and the world.

Subject:

"THE FEDERAL SYSTEM AND THE CONTROL OF CREDIT."

First Prize, $1,000. Second Prize, $500.
Contest closes December 31, 1929.
Open to Everybody Everywhere.

RULES.

The essays should be written in a popular style, to interest "the man on the street," the average person as well as the technically trained.

One thousand dollars is to be awarded the essay decided by the judges to be the best and five hundred dollars for the essay chosen by the judges as the next best. *The contest is open to everybody everywhere.* The essays may be as long or as short as the contestant chooses. Each essay, however, must open or close with a summary (not exceeding 2,500 words in length), written in such a manner that it may be used as a separate magazine article. The merits of the summaries will be given much weight in selecting the best essays. Consideration will also be given to the fact that the aim of the contest is to increase general economic intelligence, especially on the part of business men. Therefore, the essay that, by its style and presentation, seems most likely to interest the ordinary business man will have an advantage.

The essays must be written in English, and preferably on one side of the paper only. An assumed name should be at the head of each sheet. A sealed envelope with the assumed name on the outside and containing the real name and address, should accompany each essay submitted. Wherever possible the essay should be typewritten.

The essays must be original and not previously published, and must not be published or used in any similar contest before the prizes in this contest are awarded.

The prize-winning essays and the copyrights of them shall become the property of the donor upon payment of the prizes.

The judges will be announced after the close of the contest. They will be selected from experts in economics, business, banking, and related activities. Their decisions must be accepted by all concerned as final. The prizes will be paid upon announcement by the judges of their decision.

It is suggested that the contestants compare the relative merits of the English banking system and its control of credit with those of the Federal Reserve system, and that they also make a study of the part that the cost of credit plays in advancing and retarding general welfare and prosperity.

All communications should be addressed to the Economic Contest Editor, Simonds Saw and Steel Company, 470, Main Street, Fitchburg, Mass. *Essays to be considered should reach him on or before December 31, 1929. No essays will be returned.* Receipt of essays cannot be acknowledged. Contestants can make sure of delivery by registration.

Poverty and War.*

[The following is a lecture given by Mr. A. L. Gibson at Belfast on November 30, 1923, and reproduced from *Credit Power* of December, 1923.]

At a meeting of the Belfast Group of the Reform Movement held last night in the Y.M.C.A. Minor Hall, Mr. Ernest E. Lucas presiding, an interesting address was delivered on " The Unsuspected Cause of Poverty and War," by Mr. A. L. Gibson, chartered accountant, Sheffield. There was a large attendance, and the lecturer's arguments were listened to with close attention and frequently applauded.

Mr. Gibson said the root of " Unemployment " can be stated in two words, " Scientific Progress." The fact that unemployment is commonly regarded as a symptom of industrial breakdown, rather than a sign of economic progress, is due to an almost universal misconception of the nature of the problem. The problem is not so much one of " unemployment " as of " unempayment." Applied science for generations has been hard at work shifting the burden of work from the backs of men to machines. The outstanding characteristic of our age is that labour is a rapidly diminishing factor in production, because solar energy is taking the place of human energy. Science, in producing labour-saving machinery, is striving to reduce the quantity of human work. It is out to create unemployment; the true name of which is Leisure. The problem is to find a sound means of financing leisure, of issuing purchasing power without first demanding " services rendered."

Applied science and the wage system cannot live together, except during the childhood of applied science. Applied science has now reached its young manhood—and either it or the wage system must be put on the retired list if society is to preserve any sort of equilibrium. Fortunately for society there is now available a social philosophy and a new economics applicable to our modern conditions. And it was as a student of those new ideas that the lecturer appeared on that platform. The author of the thoughts which it was his privilege to submit for their consideration is Major C. H. Douglas, of London. Major Douglas is not a military man, but a consulting engineer of very high standing in his profession.

The reason why the lecturer preferred to deal with the question of poverty rather than unemployment was that poverty is a very real problem even where there is little unemployment, whereas unemployment is at present due to abnormal conditions, and in the future under normal conditions it will not have to be viewed as a problem at all, but as one of the blessings of science, and handled accordingly. Certainly unemployment will never be abolished in industrial countries carrying on business on orthodox principles, except during a war. In peace there will never again be room on the national plant for all the men needing wages.

Before the first World War it was estimated that forty per cent. of the population of England were living in damaging poverty. It was observed that the subject of the lecture suggested that poverty and war had a common root. If that were so the discovery of the root cause of one of the modern curses would lead to the discovery of the root cause of the other. The lecturer ruled out as the root cause any moral defect in man. The ordinary man certainly had sufficient moral defects to be going on with, but no decent-minded man wanted poverty or war to exist on the earth another hour. Man, in the course of his moral evolution, had eliminated the characteristics of the wolf, though he did still retain those of the sheep and the ass. The root cause lies in our economical mechanism which leads to such difficulties in relation to the material needs of man that stresses develop which result in armed conflict.

The lecturer proceeded to examine the question of poverty, and stated that widespread involuntary poverty can be due only to one of two causes. Either a country is incapable of producing directly, or indirectly by means of foreign exchange, the goods and services needed to furnish its inhabitants with a reasonable standard of well-being, or it is able to produce but unable to *distribute* those goods and services. He reviewed the present position regarding productive capacity, and showed that the increase in such capacity had been beyond our ancestors' wildest dreams, and that from a purely productive point of view there was no reason whatever why every family in the country should not enjoy a standard of well-being represented at the present time by an income of £500 a year. The lecturer here gave some very convincing illustrations in proof of this statement.

Seventy years ago, at the Crystal Palace Exhibition, Major Hallett, of Brighton, demonstrated how the application of intelligence to the sowing of wheat so improved the tillage that one grain of seed wheat could produce 1,500 to 2,500 grains at harvest.

Henry Ford is farming 5,000 acres with 20 days' work a year. A firm of agricultural engineers in Lincolnshire makes a machine which can be turning out flour two hours after you introduce it to a field of standing wheat.

If we turn to meat, we note that stock raisers in the Argentine have been " killing off "—i.e., shooting—all calves born overnight, in order to keep " production " down. The cotton industry in Lancashire working one week could supply the total requirements of England for a whole year. In U.S.A., in place of the old-fashioned sock-making machines in use 30 years ago, which employed one operator on six machines, producing 432 socks per day, they now employ full automatics, one operator attends 25 machines, and produces 3,600 socks per day. A modern steam navvy does the work of 200 men. A bricklaying machine sold by Arrol and Co., now in use in Glasgow, operated by three men, lays 1,200-1,500 bricks per hour. A Wade Mechanical Woodman enables one man to do the work of 30 men. It can get through a three-foot tree in four minutes. At a certain rolling mill in Sheffield 1¾ in. billets can be produced (without reheating) at the rate of 100 tons per hour. *The labour staff consists of four men.*

The lecturer next went on to say that the problem is not in production but in distribution. Distribution is effected by means of money. The barrier between a hungry man and a loaf of bread is " price." He then proceeded to examine prices. He pointed out that certain principles had become axiomatic. One was that the higher level of prices is governed by the law of supply and demand—in other words, by the relation of goods in the market to the amount of money at market seeking those goods. This principle condemned the masses to a subsistence level, because any increase in the national total of wages was practically neutralised by an increase in the price level. One outcome of this " law " was that extensive capital developments increased the cost of living. Socialists had objected to *the element of profit permitted by the operation of such a law; but the lecturer stated that the element of profit was only an irritant, not a cause, of our present problems.* The cause was to be found in the second principle that " no business man could regularly sell below cost price." Five years ago, if all men had been asked, " Would it be right for shopkeepers to sell below cost? " only one man in the world would have said " Yes." At the present time some thousands of people who have studied that man's writings agree with him. Amongst those thousands are some men in the British Treasury and on the boards of London banks. The suggestion sounds like insanity to the ordinary man. Not one man in the streets of Belfast at this moment has ever suspected that the cause of poverty and war lies hidden in *cost price.* Actual cost accounting figures were shown which illustrated how, when a certain factory used a machine which originally cost £500, the hourly cost created, exclusive of materials, was 3s., only one-half of which represented wages to the member of the community in charge of the machine. In that same factory more modern machines, with a working unit of four automatics, costing each £1,000, created an hourly cost of 11s., of which the girl in charge of the machine received only 1s. Thus the alarming feature about scientific progress was that the tendency throughout the community is that *from the people being in a position to purchase, say, one-half their total production at cost price, they are becoming unable to buy more than 1-11th.* This defect in credit issue to *consumers* was at the root of poverty, and was the chief cause of war. Because of it, every community was compelled by its price system to dispose of an ever-increasing proportion of its products in foreign markets, when those foreign markets were rapidly diminishing.

The lecturer illustrated this tendency by means of diagrams, and submitted as a remedy the issue of social credit to *consumers*—an issue of credit which did not come out of taxation, and which did not enter into costs. Only by such creation of credit in the interest of social welfare could the gap between the purchasing power of the people and the cost price of its production be bridged. And only by bridging that gap would it be possible to apply our extraordinary productive capacity to the securing a high standard of well-being, without having imposed upon us the necessity of increasingly bitter foreign competition for foreign markets abroad.

A vote of thanks to the lecturer ended the proceedings.

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* When writing up " Retrospect " we frequently come across articles which ought to be reprinted. Some of them we recognise as having been the subject of inquiries from readers who have asked us to trace them—a task of great difficulty, when, as has usually been the case, they have not known the title, author, or date.

Reviews.

The Adventures of Tommy. By H. G. Wells. (Harrap's, 5s.)

It is characteristic of Mr. Wells that he is always coming out with surprises. This volume consists of absurd sketches that he drew to pass away the boredom of sickness. They are very amusing, and so are the captions which relate how a " proud rich man " (even when ill Mr. Wells cannot forget that he is a Socialist) fell into the sea and was rescued by a small boy; as a reward he gave the small boy an elephant by way of a pet. It is a pity that the price of this book is so high, for many a child, or grown-up child, would like to smile over these preposterous illustrations; we await a cheaper edition—or the coming of increased purchasing power.

I. O. E.

Le Livre des Betes Qu'on Appelle Sauvages. By Andre Demaison. (Grasset, Paris, 12 francs.)

M. Demaison is a more penetrative thinker than the Kipling of the " Jungle Books." Like Mowgli, his hero, Nontap, is adopted by the beasts, but, unlike Mowgli, he becomes not their comrade but their conqueror. Other stories show the disastrous effects on animals of contact with the white man; they are de-naturalised and imprisoned, and though their captor may be their friend they always end their lives in the aimless boredom of a zoo. The author seems to have a real insight into the lives of " the beasts that are called savage," and his descriptions of life in the jungle are vividly real. By the majority of one vote, this book was awarded the " Prix du Roman " of the French Academy.

I. O. E.

How To Speak In Public. By C. F. Carr and F. E. Stevens. With a foreword by the Rt. Hon. T. P. O'Connor, M.P. (Pitman, 3s. 6d.)

The authors advise the inexperienced public speaker to start by mastering some non-controversial subject, and to speak about it at literary guilds, etc.; " he should seek every opportunity . . . for public speaking, no matter how small the occasion." Every speech must be properly prepared, and every care taken that " its statement of facts is accurate, its argument clear and concise, and that the speaker would be prepared to stake his reputation on the truth and sincerity of every word." Suggestions are given on the proper " platform manner," which must be perfectly natural, and on the building up of a suitable " atmosphere "; " most speeches are far too dull. Epigram not only keeps the audience appreciative, but " it generally catches the reporter's ear "! Notes should be ample. As regards diction, breathing exercises, singing, and reciting are valuable.

I. O. E.

LETTERS TO THE EDITOR.

MISS MULLINS' VERSE.

Sir,—Will you allow me to express warm appreciation of the very charming poems by Helene Mullins in the issue of September 12. Their grace, sincerity, and " virtue "—if I may use the word in its widest meaning—are delightful.

Kate Pritchard.

SADISM.

Sir,—Mr. Sorabji is quite right to correct me. I took it as understood that sexual gratification was the basis of all sadistic impulses. But, of course, if it is not understood, I was doing an injustice to Mr. De Shane's definition by taking it from a context in which the sexual basis of sadism is plainly stated.

J. S.

THE ENGLISH FOR " FASCES."

Sir,—Words are always interesting, and they are politically important. The Secretary of the Imperial Fascist League told the M.M. Club that the word *fasces* is English, and so it now is. But it is a Latin word not very deeply embedded in the English tongue.

There is, however, an old English word of pre-Roman origin, and I am glad to find the Kibbo Kift using it in place of the word *fasces*. I refer to the word *Knitch* (Middle English *knytche*, from the Anglo-Saxon *cnyccean*, to tie), which means a bundle, a fagot. In some of our out-of-the-way hamlets the word *knitch* is still in use, I am told; and a *knitchet* is a small knitch, a handful.

S. R.

THE LATEST STUNT.

Sir,—Without wishing to open up a flood of useless correspondence, I want to register the fact that a slogan is now being very generally used by those who (a) knowingly set out to " down " Major Douglas's analysis and proposals, and by those who (b) cannot make head nor tail of a theory that is too simple and logic-tight for mentalities addled by orthodox economic teaching, and the parrot phrases of City Editors' chat, to grasp.

The slogan is: " Oh, yes, we've heard all that before . . . yes, yes, the Douglas Scheme . . . years ago; but, of course, the theory associated with Major Douglas is generally discredited nowadays."

I have come across this so frequently within the last few months that I am driven to the conclusion that slogans of this type—" the theory is discredited "—are inspired and deliberately set in circulation. We all know how easily this may be done. No elaborate organisational machinery is needed. You have only to drop into a pub and begin: " By the way, have you heard this one, about the Scotsman who explained to the banker why banking was nothing but One Big Swindle. . . . ? " The yarn will have gone the rounds in next to no time, with the laugh on the side of the banker.

" The theory is discredited " is the latest anti-Douglas propaganda stunt, but by no means the last.

Ernest Hayward.

RETROSPECT.

SEPTEMBER 17, 1925.

The Irish Boundary Committee's expected decision—its bearing on international politics.

Mr. Arthur Greenwood on unemployment in the *Spectator*.

The Trades Union Congress and the Minority Movement—what is the " danger " of Communism?

Mr. J. H. Thomas at the Congress—reproves sacked dockers from the closed yards at Pembroke and Rosyth for inconsistency in wanting peace and objecting to its consequences.

SEPTEMBER 16, 1926.

France's air force.

The coal crisis—Mr. Cook's agreement to discuss " reduction of labour costs."

Germany enters the League of Nations.

Sir Austen Chamberlain snubs the Mandates Commission.

The *New Civilian* and a proposal to consolidate the Civil Service bonus—Mr. A. Gange's sensible remarks about the credit-aspect of the problem.

Mussolini's Opportunity. (Editorial article on the responsibilities and opportunities of his dictatorship.)

SEPTEMBER 15, 1927.

The Berlin Municipal Loan raised in America—*The Times* disapproves: " what about reparations? "

The New Zealand Minister of Finance declares that *Government* dictation to a *State* bank would create a dangerous situation!

Mr. William Graham's agricultural-credit policy in *The Banker*—our analysis of same.

The Proportional Representation Society's report on the figures of the Irish election—our analysis of the Society's proposals.

The Trades Union Congress—tussle over negotiation or direct action—futility of the quarrel—real issue: where do the Trade Unions keep their money?

Sir Arthur Keith on reason and instinct—our citation of a shepherd's account of what sheep do in a snowstorm.

The Irish Election and loan policy.

The Gold Standard and International Exchange. By C. H. Douglas.

SEPTEMBER 13, 1928.

The Trades Union Congress—its faith and its heresy-hunt.

Prof. Madariaga in *The Times*—the Secretariat of the League of Nations presented as the " Civil Service of the World Community."

The Customs' list of prohibited literature—can it be consulted by the public?

" In a community governed by laws of supply and demand, but protected from open violence, the persons who become rich are, generally speaking, industrious, resolute, proud, covetous, prompt, methodical, sensible, unimaginative, insensitive, and ignorant. The persons who remain poor are the entirely foolish, the entirely wise, the idle, the reckless, the humble, the thoughtful, the dull, the imaginative, the sensitive, the well-informed, the improvident, the irregularly and impulsively wicked, the clumsy knave, the open thief, and the entirely merciful, just, and godly person."
—*John Ruskin.*

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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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