

THE NEW AGE

INCORPORATING "CREDIT POWER."

A WEEKLY REVIEW OF POLITICS, LITERATURE AND ART

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NOTES OF THE WEEK.

The *Evening Standard* of September 25 published an outspoken leading article on the subject of the threatened rise in the Bank Rate. Regarding the statement that the rise might take place it said:

"The general public has been long accustomed to regard such statements as reports of the workings of some obscure natural law, affecting it but vaguely and towards which it is impotent. To-day, however, there is a commendable decline in this detached serenity, and a growing curiosity as to who is going to benefit should the Bank rate rise to-morrow or Thursday in next week."

The rise may "benefit moneylenders," and it may "sustain the value of sterling" in foreign countries, but on the other hand it must penalise our home industries and "cripple home enterprise."

"Real danger to our financial prestige abroad would excuse this further tightening of screws at home, but it has yet to be proved that enormous stocks of gold in the cellars of Threadneedle Street are essential to our national stability. As our Financial Editor suggests in another column, there would be nothing uneconomic in the substitution of Government securities."

This is good going. It makes us feel that THE NEW AGE is not quite such a long distance ahead of contemporary opinion as it once was, and nowhere nearly so far ahead as the Mansion-House publicity-department would have the general public suppose. Things undoubtedly begin to open up when the Financial Editor in a responsible newspaper utters the heresy that the I.O.U. of a political government is an adequate substitute for the yellow metal of the financial government as a basis of credit.

The next passage in the article was evidently written with leg-pulling intention.

"At this ominous moment our industrial world will look to Mr. Snowden for level-headed and patriotic intervention. There is little doubt that the rate has already been kept lower than the Midas-minded financiers would have it by Mr. Snowden's influence; he has himself set forth in the *Evening Standard* (in 1925) his view of the attitude of the Chancellor of the Exchequer in such a situation as he now finds himself. It is his belief that a

Chancellor must take a wide all-round view of monetary policy and see that it is such as will stimulate rather than depress trade, since on trade his own revenue depends and unemployment means direct State expenditure.

"Mr. Snowden in the article referred to declared that the Bank of England would not take any step affecting national credit, or the internal trades and industries on which the revenue depends, without consulting the Chancellor of the Exchequer, and severely commented on the attempts of Mr. Winston Churchill, the then Chancellor, to dissociate himself from the action of the Bank of England in raising the Bank rate to five per cent. in March, 1925.

"We have no reason to suppose that his views on this matter have changed, and we have had a quite recent demonstration of his tenacity to financial principles. Once more he will have the country with him if he uses his undoubted influence with the Court of the Bank of England, reminds it that it is a British institution serving British interests, and relieves our rallying enterprises from still another crushing burden." (Our italics.)

This is a most right and proper challenge to the Mr. Snowden who is to receive the Freedom of the City in recognition of his "courage." It is true that Mr. Snowden has publicly designated himself the Bankers' Minister, but if he wishes to display courage it is open for him to explain that he is their Minister in the same sense that he is a Minister of the King; that is to say that whereas it is the King's duty to act on the advice of his Ministers, so is it the duty of the bankers to act on the advice of theirs. Mr. Snowden has an opportunity to call the bluff of the interests who publicly threatened Mr. Lloyd George, when he was Chancellor of the Exchequer, that they could destroy any Government which interfered with their credit-policy. The "courage" we want to see in a politician is the courage which will risk a straight test of this boast. Until then, Mr. Snowden's reference to "consultations" between Chancellors of the Exchequer and the Bank of England will continue to be regarded as a euphemistic phrase concealing the fact that the Bank gives orders to them.

As the *Evening Standard* suggests, at one time the Bank of England had the right of superior knowledge to settle financial policy. In fact, its right

was better still; it was the right of *exclusive knowledge*: nobody but bankers had ever thought of studying even the technique of banking, much less the principles and practical implications of credit-policy. Further, the vast majority of bankers themselves did not investigate—and to-day remain entirely ignorant of—the true nature and ultimate consequences of the functions they perform. In 1919 it is probable that there were no more than half a dozen financiers in this country who were able to recognise the dynamic nature of Major Douglas's proposals and to realise the incipient danger to their system in his disclosure of the object of their policy and their subtle methods of imposing it on Governments. That is the reason for the curious phenomenon that Major Douglas's first book received plenty of Press notices, but his succeeding books barely any. The Big Half-Dozen at the top had kept everybody in such ignorance that they had to pass the word round that this was a dangerous book—nobody would have known it without. Fortunately, before this could happen, Major Douglas had got away with a fair amount of publicity. We referred last week to the notions being disseminated nowadays that his proposals are "discredited" and "unintelligible." The joke is that several reviewers, notably the reviewers for the Scottish Banking Association, understood them and endorsed them when they first appeared. The budding comprehension and confidence got frostbitten afterwards, for the arbiters of publicity-temperatures decreed the zero-point of the boycott for this subversive doctrine. Commentators had to consider that the price they would pay for following a warm clue to a new economic dispensation was cold feet in this. It is, of course, true that hundreds of political programmes present, initially, the most convincing plausibility; but upon investigation prove to be impracticable, and are therefore rightly discredited. But in every one of those cases the impracticability can be reasoned out, and critics are only too eager to be allowed opportunities for demonstrating the fact. Take nationalisation or the capital levy—there has never been the slightest hesitancy on the part of the capitalist and financial Press to debate the *pros* and *cons* of the subjects both in regard to the soundness of their principles and the effects of their operation. That was because the critics knew that, in the race for "Socialism in Our Time," the farther down the course they could take the Socialists, the more difficult would be the running. But in the case of the Douglas Proposals the situation was exactly the reverse. Close to the starting-post there was a formidably high water-jump. But once over, the rider could see for himself that all the hurdles on the way to the winning-post were easily negotiable—so easily that he could canter over them. Consequently the financial interests put the whole course out of bounds: they warned everybody that it was dangerous—so dangerous that the mere attempt to ride it was an immoral, if not illegal, act.

Again, whatever may be urged as a natural explanation of the supposed fading-out of the *credibility* of the Douglas Proposals, nothing can explain how, after being initially intelligible, they can have faded out into unintelligibility. You can say that you comprehend what a man is after, and subsequently tell him that it cannot be done; but you cannot say that you comprehend what he is after and subsequently tell him that he is incomprehensible. You can of course do it to a man who changes his ground, who invalidates his postulates by improvements upon his earlier conclusions, as so many reformers have done; but not to a man who has refused to budge an inch from his first position. The curious feature about this case is that Major

Douglas's earliest book, "Economic Democracy," should have evoked such prompt evidences of comprehension among reviewers in general as it did. This book was not written for popular consumption, not even for that of expert laymen: it was addressed primarily to the expert professional financier, and invited expert professional investigation and judgment. Consequently, in the text there was no elucidation of his meaning beyond the point necessary to get it over to his chosen court of judgment. The nearest analogy to his policy that occurs to us is the case of the invention of the steam turbine. It was naturally first submitted to engineering experts, not to the public. It is now a matter of history how the experts ranged themselves into two conflicting schools on the question of adopting the invention. Their disagreement led to publicity; and rightly so; for when the purely engineering considerations created a deadlock, non-engineering considerations had to be brought into the debate in order to make possible a decision on what to do about it. The engineering technicians on both sides sought allies among technicians in other fields; and from this proceeded the ultimate initiation of a wider public into at least the essential elements of the technical issues. Notice that, if the experts had agreed, the first hint which the public would have received that there was such a thing as a turbine would have been the turbine itself. That is what Parsons hoped for, because when a man invents what he considers a good thing his sole preoccupation is to see it at work in the shortest time possible, not to waste energy in organising public opinion about it. So with Major Douglas. But with what a different result. The technicians will not say whether they endorse his scheme, or whether they reject it, or whether they are aligned for and against it—nor no nothing! Judgment is reserved *sine die*. Not only so, but when Major Douglas tried to win technical allies from another field, the financial technicians put obstacles in his way. The outstanding example of this was the cancellation of his projected address to the Automobile Engineers a few years ago. The address had been submitted in manuscript: it had been printed under the authority of the Association for distribution to its members, and all was in train for a formal reading at a fixed place and time. Then, without previous notice, and without subsequent explanation, some Lord High Elephant trod on the project. *Finis!* Every reasoning man and woman must ask what could have been the explanation of this solicitude for preserving Major Douglas from the discomfiture of exposing his "incredible" and "unintelligible" doctrine to such an audience of keen thinkers.

We regret having to spend space so frequently in recapitulating these evidences of intrigues against our efforts to enlighten the public, but it is necessary to do so in order to overcome the inertia of new potential students of the subject. Such inertia is refractory enough in human nature itself without being stabilised by the tricks of the credit-monopolists. We have to do our best to change the atmosphere of discouragement which surrounds the subject of Social Credit; we have even to change the atmosphere of inhibition which surrounds the study of credit-economics itself from any angle at all, sound or unsound. In the second of these tasks the burden is being taken up by others than ourselves, and is moreover being lightened for all propagandists by events themselves. Willy-nilly, the economic question in its credit-aspect obtrudes itself more and more definitely and disturbingly upon public consciousness. When a problem has developed to such a degree that everybody realises that something has got to be done about it, it is futile for intriguers to maintain the insinuation that

the problem is too "materialistic" for thoughtful, cultured people to concern themselves with. Even though people may remain under the illusion that the fruits of idealism are entirely unconnected with the roots of materialism, their actions under the pressure of economic stress will be just the same as though they were free from the illusion. "I reckon I'm a good man," exclaimed someone apropos of a local police-court charge of theft, "but if my children were starving I tell you I'd steal—and damned quick too."

The Social Credit idea, in one aspect, may be likened to the conception of the fountain-pen; and the Proposals to the master-design of the machinery for making it. In this analogy the existing financial system is, of course, the old pen-and-ink method, under which the industrialists have only the pens, and the bankers all the ink. "What!" protests the banker, "Industrialists to store my ink in their penholders! Preposterous! What am I here for? Let them come and dip." It is nothing to him that the industrialists and not he are the people who can make pens of all descriptions, and who, fundamentally, make all the ink as well. Ink, in this context, standing for financial credit, the suggestion that industrialists make it appears to contradict the proposition, common to all credit-reformers, that bankers create credit. But there is no contradiction. We remember that the late Dr. Walter Leaf tried to reverse the force of Mr. McKenna's affirmation of this truth by pointing out that it was the *borrowers* from the banks who created credit. But he was only expressing the same truth in another formula—a very useful formula, too, for our present purpose. Let us elaborate and merge these two expressions of the truth into a harmonious Leaf-McKenna formula. It would run something like this: The borrower asks the banker for permission to instruct the banker to lend him some credit: and if the banker grants the request new credit comes into existence. Very good: it now appears that the question about which of the two parties actually does perform the technical act of creation is immaterial. What *is* material, is (1) that new credit is created as a result of the joint transaction; and, what is fundamentally vital is, (2) that the decision that it shall be created lies with the banker and not the borrower. So Dr. Leaf has made a welcome contribution to the wisdom of the subject. What he has said (to revert to our analogy) is that the industrialists make ink under license from the bankers. This is the more useful a way to regard the truth because it exposes the falsity of the assumption underlying the whole attitude of the bankers—the assumption that the ink is their property. It is not. It is the inalienable possession of the community who can use it; and the quantity to be made available should be a measure of its realised capacity to use it—not the bankers' capacity to hoard gold.

Bankers, as such, are no more indispensable in an economic system than are book-keepers in an ordinary business concern. Their proper duty is to record debits and credits, to strike balances, and to report the results. The only superiority which bankers may justly claim over the rest of the community is the same as may be claimed by any body of people to whom is allotted a single continuous function; the superiority consisting in their having become *adepts in the technique of their job*. By this measure a book-keeper in any business concern is superior to other functionaries in that concern; he can do his job more expeditiously than these others could do it. But the others can claim the same superiority with regard to their jobs. In fact, from this point of view, the banker possesses the

least right of all the functionaries in the economic system to claim superiority; that is to say, the measure of his superiority over others is less than any of theirs over him, for the reason that his function—counting and calculating—can be performed, and is being performed, by practically everybody as a merely incidental accompaniment of his economic activity. While bankers are counting, counting, counting, and doing *nothing* else, the rest of the community are doing *everything* else, with the counting thrown in. We remember in our commercial days, when the head bookkeeper went for his holidays, and on returning, found a batch of papers saved up for his attention, how he would expand his chest with the triumphant boast: "You see, they can't get on without me." The poor boob. The papers were saved only because he was coming back. If he had only gone and got drowned on his first day at the seaside his chief subordinate would have simply eaten up those suspended jobs—yes, and thanked Providence for the chance if the truth were spoken.

The foregoing, true in the present system, is all the more obviously true when one postulates a change in the system. In the administration of the Social Credit policy a very great number of qualifications which the professional banker now considers it necessary to possess may easily be found to have become superfluous. The general reason for this probability is that these qualifications are only necessary for functions which the banker now usurps. For instance the sole "arbiter of commerce" qualify him to be the sole "arbiter of commerce" becomes unnecessary directly his exclusive arbitrament is seen to be *ultra vires*. It is no use his studying economic Kingcraft in a country which has adopted economic Republicanism. Again, intricacies in financial technique are mostly created by financial policy. Their existence constitutes a plausible reason why non-financial people should not interfere with banking, but the reason applies only to people who accept the policy. If a man came to you and demonstrated that he was able to drive a lead nail into a piece of teak you might take your hat off to him as an adept at his chosen technique, but you would probably ask him: Why lead, and why teak? And if he could not, or chose not to, give you a sensible answer, you would be inclined to suggest the lunatic asylum as the best place in which he might repeat the demonstration of his skill. The banker's technique belongs to a policy which nobody would approve when he once understood it. The only technique worth while acquiring is that belonging to an approved policy. If it is right for people in general to save money at the sacrifice of consumption, and to invest it for increasing the means of production, and to expect a dividend from the process of selling more and more production to fewer and fewer consumers, it is quite in order for the bankers to boast of their technique, which is admirably perfected for going the longest distance towards the achievement of such futilities. But once adopt another policy, one under which for every unit of prime production there is a guaranteed sale of a corresponding unit at the consumption end, then the purposelessness of the bankers' dexterity will become self-evident. A lead-and-teak technique has nothing to do with an iron-and-oak policy.

For certain purposes we are publishing elsewhere a translation into French of Major Douglas's correspondence with Mr. Lloyd George in 1922, in which he outlined his scheme for the settlement of the American debt. The translation was begun a week or so ago by a Frenchman, who got on all

right with it until he came to the passage in the English text reading as follows:

"—and that the capital appreciation incident on the supply of those goods accrued to the United States nationals, together with the financial media representing that appreciation."

Many of our readers are familiar with the correspondence, and will remember that this passage was the second of two arguments which Major Douglas had proposed should be addressed by the British to the American Government, the first argument being the reminder to the latter Government that Britain's debt was contracted in goods. The following comments on the meaning of the passage were sent to the French translator, who thereupon completed his translation of the correspondence in the form in which we publish it, and added a translation of the comments themselves which we also print.

"capital appreciation." This means the new and additional factories, machines, tools, etc., which were constructed in America for the purpose of executing the orders for war material which Great Britain placed in that country.

"incident on the supply." This means that the above capital appreciation was caused by Great Britain's orders for the war material; that is to say that if Great Britain had not ordered the material, the American industries would not have constructed so many new factories, machines, etc., as they actually did.

"accrued to the United States nationals." This means that the additional factories, machines, etc., became the property of the American people. The whole of this new property remained in their possession. No part of it was delivered to Great Britain. But a substantial proportion of the cost of this property was charged to Great Britain in the high prices of the war material. The result is that Great Britain owes, and is expected to pay, for a large amount of capital construction which America now possesses, and is using to compete against Great Britain in particular (and against the Allies in general).

"together with the financial media representing that appreciation." "Financial media" means (in this context) dollar-credits. These dollar-credits "accrued" to the American people. That is to say, it was the American people who received and spent the dollars. No dollars were sent to Great Britain. The American people received the new physical capital together with the new dollar-credits representing that capital.

Our readers will remember Mr. Bernard Baruch, the financial King of America during the period of the war. We had a good deal to say about him. The last time was when we reviewed the book of Colonel House's reminiscences. We referred to him once as Chevvy Slyme, the man who was always round the corner; and the reason why we have had nothing particular to say about him and his activities since is because he has acted up to the designation we gave him, and has remained round the corner. At last we have spotted him again—in Scotland too, the country traditionally supposed to have the most prompt lethal effect on Jews. His presence there has been disclosed by mere accident. It appears that Mr. Alexander Woolcott, a well-known American writer, has revealed in a broadcast talk in New York that General John Pershing accidentally shot and wounded Judge Richard Lydon while grouse-shooting at Buchanan Castle, near Loch Lomond, three weeks ago, where they were staying as guests of Mr. Bernard Baruch. Pershing was the commander of the American troops in Europe during the war. Lydon is Justice of the Supreme Court of New York. Baruch is described (see the report in the *Evening Standard* of September 26) as "the American financier." If anybody wants a clue as to what really big game is afoot he will do much better to follow, if he can, the tracks of this trio than to gaze at the receding stern of that decoy-ship, the Berengaria. General Pershing was in Paris on September 26th, for he was interviewed there by a representative of the International News

Service. When asked whether he had shot the Judge, he "chuckled," and asked: "Do you think I would tell you if I had?"—the characteristic answer of the high-political wire-puller. Where exactly his two colleagues are we cannot say, but it is sufficient to know that the three of them are over on this side of the Atlantic just at the time when the centre of gravity of world-politics is supposed to be on the other.

About Things.

I see that the project of the League of Nations to provide financial assistance to States which are "victims of aggression" has gone west. Lord Cecil has been obliged to conform to Sir Austen Chamberlain's policy. The latter statesman had approved the principle of the project, but had declared that it could not be adopted until there had been such a general reduction of armaments as would justify it. Lord Cecil has now introduced a resolution in that sense. When everybody is deprived of firearms then we can agree to punish anybody who lets them off. I consider this splendid. So will Signor Mussolini. This is the sort of agreement he loves to sign.

Punch of yesterday week published a full-page cartoon showing the City as a beautiful young siren luring ex-Ministers away from Westminster. It is conceived in the "Pied Piper" style; and as a picture, apart from its teaching, it is one of the best pieces of work that I have seen for several months. A daily newspaper last week referred to what it called the ineffectiveness of the Opposition in the House of Commons, especially the Conservative Party. Young Conservative members are, it said, becoming restive because of the manner in which their leaders neglect to take part in the debates. If this is true it reflects a great deal of stupidity in these young men. Why on earth should their leaders oppose anything that they agree with? *Punch*, again, in the same number that I refer to, has a joke which sums this situation up admirably. A young swell, in the company of his fiancée, is in a select shop buying a tie. He has chosen one; and she remarks to him that it has a reddish tinge: does he really like that colour? He replies that he doesn't—not really—but he thinks he'll wear it because he feels so tremendously pleased with how the Labour Government is behaving!

Here is an instance of subtle advertising. It is in the "Stop Press" column of the *Evening Standard* of September 19, late night final edition. It is wedged in among racing results and Stock Exchange returns as if it were urgent popular news.

"Bank Bulletin.—Bars bought £76; foreign gold coin bought £8; bars sold £1,724.

The only people to whom news of this nature is of the slightest interest are people in a position to get it direct from a tape-machine hours before it can appear in the papers. And look at the size of the transactions! It would seem to be a principle of journalism to grab any excuse to give the "Old Lady" a free show.

In these days, when we have to explore such a lot of modern literature to discover some, it would be a good thing if we all made it a rule of life to read at least one old book to every three or four new ones. It does not matter a great deal what, but preferably books now generally unfamiliar which once had a reputation. It is strange how frequently one comes across something generations old which ought to figure in this morning's newspaper. I was dipping into *Nights With Uncle Remus* the other day, little expecting to meet with the modern banker.

found him almost right away, in story No. VI.* appropriately enough—the number "6" being the mystics' symbol of evil. I will outline the story, but naturally I shall thereby rob it of some of its distinctive flavour.

The animals decided to build a house. Brother Fox, Brother Wolf, Brother Coon, and Brother Possum got to work and assembled the tackle and materials. But Brother Rabbit—

"he make lak it make he head swim fer ter climb up on de scaffe, en likewise he say it make 'im ketch de palsy fer ter wuk in de sun; but he got 'im a squar', en he stuck a pencil behime he year, en he went 'roun' medjun en markin'—medjun en markin'."

—measuring and marking—debiting and crediting—and, as will now appear, advertising himself into the bargain.

"en he wuz dat busy dat de yuther creturs say ter deysef he doin' en likewise he say it make 'im ketch de 'long de big road say Brer Rabbit doin' mo' hard wuk dan de whole kit en bilin' un um. Yit all de time Brer Rabbit aint doin' nothin', en he des well bin layin' off in de shade scratchin' de fleas off'n 'im."

At last the house was finished. The story goes on to narrate how Brer Rabbit gets possession of the property. While the other animals are resting in the parlour he sneaks upstairs with a gun, a brass cannon and a pail of slop-water. Then he calls downstairs to the others

"W'en a big man like me want set down, whar-bouts he gwine ter set?' sezee.

"Den de yuther creturs dey laugh, en holler back: 'Ef big man like you can't set in a cheer, he better set down on de flo.'

"Watch out down dar, den,' sez ole Brer Rabbit, sezee. 'Kaze I'm a gwine ter set down,' sezee.

"Wid dat, bang! went Brer Rabbit gun.

"Co'se, dis sortes 'stonish de creturs, en dey look 'roun' at one er n'er much ez ter say, W'at in de name er gracious is dat? Dey lissen en lissen, but dey don't year no mo' fuss, en 'twa'n't long 'fo' dey got ter chattin' en jabberin' some mo'."

Then Brer Rabbit calls to them: Where is a big man like him gwine ter sneeze? Upon receiving the reply that he can sneeze whar he please, he lets off the cannon. Finally, when he asks where a big man like him can spit when he takes a chaw terbaccer, and gets the same answer, he empties the bucket down the staircase. The animals are by now thoroughly scared.

"Some un um went out de back do' en some un um went out de front do', en some un um fell out de winders; some went one way en some went n'er way; but dey all went sailin' out."

Brer Rabbit, after having in his own peculiar way "assisted" in constructing the property, and then making it apparently untenable, now proceeds to "reconstruct" it. The little boy to whom Uncle Remus is telling this story asks him: "But what became of Brother Rabbit?" Uncle's reply finishes the story, or, better, sets a crown on it:—

"Brer Rabbit, he des tuck'n shot up de house en fassen de winders, en den he go ter bed, he did, en pull de coverled up 'roun' he years, en he sleep like a man w'at aint owe nobody nuthin'; en needer do he owe um, kaze ef dem yuther creturs gwine git skeer'd en run off fum der own house, w'at bizzness is dat er Brer Rabbit? Dat w'at I like ter know."

And at this very day the benignly ironic eyes of old Uncle Remus are still twinkling out the same artless inquiry. But Brer Armstrong en Brer Vickers, dey lie low en dey say nuthin'.

I have received a note from Mr. Andrew Bonella apropos of the little guessing competition that he set in his review of verse last week. Competitors had to say which of two verses that he submitted was the authentic product of Mr. Lowenfels (whose

* Routledge's 2s. edition. Both *Uncle Remus* and *Nights With Uncle Remus* are issued at this price.

book was the subject of the review), and which was the improvised parody that he and some friends had composed over the luncheon table. He tells me that he has received one guess—and it is wrong! The entrant is a lady who, to his own knowledge, is a critical reader of current literature. It is not for me to say where the joke is, or whether there is a joke; but one thing is certain, that there is no joke against the lady. It is open to Mr. Lowenfels to make the modest disclaimer that he is not the only poet who can turn out good stuff of this *genre*, and that possibly Mr. Bonella and his friends were all poets. But that leaves him open to the suggestion that a poet who cannot write *different* poetry in his chosen form ought not to write *any* poetry in that form, or possibly any form.

By a curious coincidence something has happened which strikingly resembles the "argument" in the poem that Mr. Bonella printed as a model of its kind, *To An Athlete Dying Young*. The athlete in the present story is Johnny Hill, a gifted young Scottish boxer, who died suddenly last week while training for a fight with the American boxer, Frankie Genaro. His death took place almost at the moment when Genaro landed in England to train for the fight. Frankie Genaro, as was Johnny Hill, is accounted a clean and clever boxer, a cheery boy and a good sportsman. The news of Johnny's death has "taken all the gaiety out of him" (one of his friends writes in *The Sporting Life*), and he is "certainly going to Scotland to pay his last tribute." In a little biography of Hill it is said that his trainer was his own father, and that the relations between them were akin to those of brothers. The father is a stonemason, and the son was apprenticed to that trade. It is recalled that on one occasion Mr. Hill, senr., who had a ripe judgment in regard to boxing, assured his son: "Whoever beats ye, Johnny, will be champion of the world." Following the onset of his illness the lad's condition fluctuated, and he appeared to be winning through when he burst a blood-vessel and died. Such a conjunction of facts and circumstances seems to me to cry out for a poem. What a chance for anybody who knows how to handle them. The vernacular of the ringside teems with expressions and idioms which require no great genius to imbue with the nobility adequate to the concept of the struggle of life against death. "Genaro's Soliloquy at the Graveside" suggests itself as one of the several methods of handling the theme. Can anybody do it? Come on: give the "lost loves" a rest and have a try at this. I will not be outdone by Mr. Bonella. The prize is five shillings; and he shall adjudicate. HERBERT RIVERS.

"At the very outset, what are we to think of the soundness of this system of modern political economy, the direct tendency of every rule of which is to denationalise and to make the love of our country a foolish superstition?"

"Mr. Snowden does not want to break the dominion of the bankers: he wants to share in it. Under his leadership the Labour Party is committed to that trick, so familiar in commerce, of running an 'independent' concern in order to sell it at last to the trustmongers."—*Notes of the Week*.

"An author should not write 'down' to his public: that is a fatal thing to do. But he should not consciously write above their heads: that is an ignorant thing to do, and usually implies that an author has less intelligence than the people for whom he is writing."—*George Arliss*.

The M.M. Club's next Meeting will take place, not at the Holborn Restaurant, but at Kingsway Hall (Room No. 22), a few yards down Kingsway on the same side of the road as the Restaurant. The date is Wednesday, October 2.

Banks and Borrowers.

We are asked by a correspondent to arbitrate on an issue which has caused disagreement between him and a small group of our readers with whom he is associated in propagandist activities. He says:

"My friends are of opinion that the bankers are responsible for the present state of affairs through their restriction of credit, but I contend that the bankers have no alternative as, being trustees for their shareholders and depositors, whose money they, the bankers, lend, they must exercise reasonable care in the granting of loans. Where a borrower defaults, the resultant loss will fall as a charge against the undistributed profits of the bank; failing which, against the shareholders' capital; failing which, against the depositors' credit balances."

This disagreement is an example of cross-purposes. Our remarks in the Notes elsewhere on banking technique ought to help in a general way to straighten them out. But addressing ourselves more particularly to the issue we must first suggest that the contestants make sure what "bankers" they are arguing about. If the term means individual operative bankers, or groups of them, functioning competitively under imposed rules of technique; that is one thing. If a central group of banker-statesmen who control banking policy and impose the rules of technique; that is quite another thing.

If, to take the former meaning first, one grants the practical possibility of any particular member bank of the Big Five being left by the others to go smash and wind up in the event of mismanaging its affairs, the reasoning of our correspondent is substantially correct. The only serious blot on it is the mis-statement that banks lend out of pre-existing credit. In the case where a borrower uses his loan to buy from another client of the same bank that bank's own books will record additional deposits equal to the loan. But in any case the loan creates an equivalent deposit somewhere in the banking system. Notwithstanding this, however, there is something to be said for his case that the initiative of any bank in lending credit is subject to precautionary limitations. Suppose, for instance, the Midland Bank were to grant a loan of some huge dimensions, say, £500 millions, and the deposits created by this loan were all lodged with, say, Barclays Bank. It is obvious that, however sound the borrower might be, Barclays Bank would look to the Midland (through the Clearing House) to cover Barclays' new liability. Barclays would require to receive good "bankers' cash" (in any of its forms) to the amount of the Clearing-House balance which *ex hypothesi* would be higher against the Midland by the whole £500 millions. Supposing that the Midland's available bankers' cash happened to be exactly that sum, and Barclays now took possession of it, all the Midland's other clients would have nothing to draw on against their deposits. The Midland would then (if precedents were followed) have to close its doors at the first demand for cash, and its shareholders and clients would lose all their money except for the scrap value of the buildings and other realisable assets.

So as things are at present it is true that an individual bank, though its loans do not come out of its pre-existing deposits, does *theoretically* risk the interests of its shareholders and depositors when it makes them. (But notice the reservations implicit in our italics.)

Now, immediately the reader sees how careful we have to be in saying all this, he will realise that our correspondent's opponents have a good case for cutting it all out of their public propaganda, and popularising the simple slogan that "bankers are responsible for credit-restriction." The truth is that the "statesmen-bankers" have made the rules which

compel the "commercial bankers" to restrict credit. Discrimination between the two in popular speeches would only bore the public. It would give them nothing to bite on. The moral seems to be: Don't intrude any analysis, but be ready with it for those few listeners who have the wit and interest to challenge you on it.

Our correspondent and his friends can carry the elucidation of their difficulty further along this line. Supposing that every one of the Big Five banks issued a new £500,000,000 loan simultaneously, and that the resulting new deposits were lodged with them in proportions equivalent to those now prevailing. There would be a great increase in the Clearing-House turnover, but (possibly) no increase at all in Clearing-House balances—in which event no one bank would have to part with bankers' cash to the others. How would our correspondent's objections apply then? Investigation would show that though they could be overcome in this direction, new ones would arise in another. Instead of, say, four British banks imposing a check on the fifth, there would be a group of foreign banks imposing the same sort of check on the five British banks. The next question to investigate would be: Have these groups of banks got to restrict one another, or could they co-operate in a concerted expansion of credit?

We believe that a thorough exploration of the situation would compel common agreement that somewhere or other within the whole international system of banking resides the power to say yes or no to the proposition of credit-expansion. Therefore the responsibility for credit restriction lies within the banking system. That we are unable to identify the persons who exercise it does not affect the fact that it is exercised by some persons. Moreover, precisely because the secret is so carefully hidden within the main body of functioning bankers it serves the latter right to charge them with the responsibility. If they say that they can't help what they do, the answer is that there are some among them who can help what they do, and make them do it. We do not want to argue with the "manager-grade" of banker: we want the boss to come out and explain (if he can) why he has got to (if he has) instruct his managers to starve economic enterprise of credit.

Eleven years ago the hidden authorities would have emerged from the wings instanter, and cleared the stage of the expansionists. For then they had an unanswerable case. It was that they themselves were subject to the "Iron Law of Price." But to-day —! Major Douglas has exposed the trick; and for the last ten years or so the Social Credit gallery has been clapping, stamping and hooting for these Conjurers to come on and do their turn. It has been dusty work, but was well worth doing; for the stalls are now beginning to cough and fidget, and there are murmurs of altercation behind the scenes. Something has evidently got to happen, or the proceedings will end up with a rag that will wreck the theatre.

Romeo: Art thou so bare, and full of wretchedness,
And fearst to die? famine is in thy cheeks,
Need and oppression starveth in thine eyes,
Contempt and beggary hang upon thy back;
The world is not thy friend, nor the world's
law:
The world affords no law to make thee rich;
Then be not poor, but break it, and take this.
Apothecary: My poverty, but not my will, consents.
Romeo: I pay thy poverty, and not thy will.
Apothecary: Put this in any liquid thing you will,
And drink it off; and, if you had the strength
Of twenty men, it would despatch you straight.
Romeo: Of twenty men, it would despatch you straight.
There is thy gold, worse poison to men's souls,
Doing more murders in this loathsome world
Than these poor compounds that thou mayst
not sell.

—Romeo and Juliet.

Current Political Economy.

Labour is said to be preparing its programme for the coming session; and no longer to have its eyes on the ends of the earth, but to realise that charity can begin in no better place than at home. The problem which Labour has before it is that of solving unemployment. The Labour Party must be aware that without a complete change in the orientation of the financial system unemployment is totally insoluble. An event of the past week, to wit, the raising of the Bank Rate, appears to have drawn no comment from any member of the Labour Government, which is in itself sufficiently significant. Not long ago the *Daily Herald* advised its readers, with reference to the gold exports to France, that any increase in the Bank Rate would jeopardise gravely Labour's chances of alleviating unemployment. The Labour Party is accordingly in possession of the fact that the Bank's action sounds the funeral-bell of Labour's chances to shine as resplendently at home as it has done abroad. Mr. MacDonald is accordingly reported to have made no new contribution to the unemployment problem in his address to the Brighton Conference, and the groans have their hay cut off, the master goes to America asking for time. Mr. MacDonald's request for time will become as notorious as Lord Asquith's "Wait and see," except that in Mr. MacDonald's case there will be nothing to see.

It may be unfair, however, to Mr. MacDonald to suppose that while he bothers about the next war he has forgotten the present civil war between financiers and producers. He has been many times congratulated on the great friendliness he has created between Britain and the United States. Lord Astor, the American propagandist ambassador, is the host of the Labour Party—or is it Lady Astor? General Dawes, the great Americo-European peacemaker, is Mr. MacDonald's bosom friend. When Mr. MacDonald arrives in the United States he is to sleep in the very bed of Abraham Lincoln, the great emancipator. Perhaps Mr. MacDonald is going to presume on the love of his American hosts to borrow some of their de-potentiated gold, whose magical appearance in the vaults of the Bank of England would once more render Labour's slight financial inflation scheme practicable. According to the March-hare gold in the vaults of the Bank of England makes a difference to paper pounds in the pockets of South Wales miners, and according to the Hatter without gold in the vaults of the Bank of England everybody ought to pay more for the loan of the same paper pounds. There is useless gold in America, and if Mr. MacDonald does not borrow it, interest free because of its uselessness, never let him mention the good will of America again.

At the London Labour Women's School Mr. Walter Citrine said that he believed in the 100 per cent. trustification of industry.

"I take no notice of those who say that collaboration with employers will stabilise capitalism. The trade unions must turn their attention to making industry more and more efficient, so that it will be capable of giving them a higher standard of living . . . unless the control of industry is in as few hands as possible trade union control is impossible. . . . The socialisation of industry must be preceded by the co-ordination of capitalism."

This quotation indicates the general attitude of Labour at the present time. It believes in democracy when the crowd is to vote, and in the restriction of control to as few hands as possible when anything is to be done. The Labour Party is made up of authoritarian despots who have not sense to

see that they are puppets. Many years ago during the National Guild propaganda in *THE NEW AGE*, Orage gave as the only alternative to chartered guilds of associated workers of all grades, joint trusts of workers and employers who would together exploit the rest of society. Mr. Belloc added a third alternative, namely, the Servile State. Very rapidly Labour is coming to look upon the combined trust of Labour and Capital "for efficiency's sake" as Utopia. Actually, in view of the movement of the balance of economic power from Capital to Finance, this combination can result only in a form of the Servile State. While the Trade Union leaders work to bring about the Capital-Labour Trust, the intellectuals work to bring about the Servile International State. Mr. Wells, for example, makes it clearer with every public utterance that he no longer believes in Socialism, but in an international Collectivism over which not politicians but financiers would preside, and in which States would not be separated. This Federalism would be a good thing if it were intended to add to the freedom and opportunities of peoples; but it grows more and more obvious that it is meant only to make peoples more easily herded.

Mr. Citrine surely knows that industry is efficient enough to provide a vastly better standard of life than is at present enjoyed; that a trifling decision by the governors of the Bank of England can lower the standard of life of everybody; and that it is at the moment far more vital that leaders should know for what they would co-ordinate capitalism than that they should set about it in the dark. Unless Labour realises quickly—and stands by its own minds' vision when it does realise—that in the financial system alone is there sand in the wheels, Labour is destined to very early downfall.

BEN WILSON.

Twelve o'Clock.

"Shakespeare strikes twelve every time."—Emerson.
EXTRACTS FROM "THE NEW AGE."
Edited by Sagittarius.

"What France must be taught to remember is that no change of Government can have any effect on economic law."—*Daily News*.

"Post-war financial dislocation was due to the actions taken by central banks to resume their pre-war control of government."—*Notes of the Week*.

"We have passed from the materialism of last century to the energetics of this one."—C. M. Clark.

"The fact is, there is nothing that the mind of man can think that cannot be made generally understandable by the right showman and his showmanship."—*The Technique of Showmanship*. E. L.

"As something simple, but at a very high tension, comes reason, which is so simple and so clear, but is yet surrounded by wild beasts and may stumble."—*The French Romantic Period*. Denis Saurat.

"Consumers' incomes are insufficient to meet industrial costs unless somebody borrows credit."—*Notes of the Week*.

The fact that in Reparations there is only receipt, and no exchange of goods, has been the crux of the problem.—Lord Melchett on Reparations.

Employment, or work, is the tyrant that all the resources of civilisation have been developed to abolish.—*Current Political Economy*.

But in this Christian year 1929 Lancashire has no better understanding of economics than to assert that all is well though it strip itself naked if only the people of the tropics will buy its clothes.—*Notes of the Week*.

Industry is financed on short-term loans by the banks, whereas a very large proportion of the manufacturing carried out by those loans is long-term production. The inevitable result is that money has to be called in before the equivalent production is let out.—*Incomes and Prices*.

Drama.

The Seagull: Fortune.

Mr. Philip Ridgeway has once more defied the gods by offering the fruits of the tree of art in the market-place. Through him London can once more see the world; and challenge de Gobineau's estimate of not more than three hundred persons of culture in all the countries of the earth. Mr. Ridgeway begins with "The Seagull" and promises "The Three Sisters" to follow. Possibly he may, by request, later present also Turgenev's "A Month in the Country," a play great enough to be revived at least once every year. Tchegov's "The Seagull" is, of course, somewhat reminiscent as symbolism of Ibsen's "The Wild Duck," with the difference that Tchegov's outlook is less muddy, and his theme really is life and not ideas. "The Seagull" is a symphony on the self-centredness of human motives, with variations on the ironies that ensue from the consequent human intractability and blindness. The relationships of its characters are as complex as in life itself. As the characters act and re-act—or fear to act and re-act—they reveal themselves both true for life and as artistic compositions commenting on life. The clarity with which Tchegov exhibits how all except the rarest birds wrap themselves up in themselves for protection from life is one of the miracles of character-portraiture.

Viewed through "The Seagull—all great art is a window in the universe—life resembles seventy years or less of hopeless debate with oneself as to whether one should be dissatisfied with what one can get, or be broken in the attempt to take what one desires. The one who flies is shot; the pedestrian gives thirty routine years of social service, the security of which the wild birds envy, and then fidgets through a discontented old age, as Scrin does, between the unsatisfied longing still to live and the knowledge that the time has gone by. If one succeeds, like Madame Treplev, the actress, one becomes vain, inconsiderate, and jealous of the talents of one's own child, so that it is as well for the rest of mankind that the sun is out of reach. In this world of ambition and desire the fable of the fox and the grapes is only half the truth. The fox said that the grapes were sour to console himself at failing to reach them; if he had reached them they would have been sour. Such is the mood induced by "The Seagull," but more so by this production than it need have been. While life may be as ironical as it is, there seems designedly in Tchegov's play a stimulant not to give way to pessimism, but rather to laugh at life, and to mock at the devils who, while generating human loves, mis-grotesqueness of the comedy of life, Tchegov has not had justice. It sometimes looks as if there will not be genuine English Tchegov until it is done by the Irish Players as if it were Irish. Two of Mr. James Whale's three settings, in spite of their being very artistic work, reminded me of Heine's churchyard, without the salad growing in it; and seemed insufficiently naturalistic as a background for the naturalistic production. One actress, Miss Miriam Lewes, as Madame Treplev, introduced a note of mockery, but her performance was not quite complete, inasmuch as, although she sufficiently over-emphasised the gestures of hands, head, and thorax, to act the part of an actress, when she moved about she gave the impression of an ordinary person. All the other actors and actresses were prone to approximate too nearly to one another in temperament with the exception of Miss Valerie Taylor, Mr. Harold Young, and Miss Dora Gregory. The two latter in the small parts of the steward and his wife were both good Russian comedy, while Miss Taylor as Nina achieved a number of magni-

ficent moments when Nina's faith in life filled the theatre with its radiance. Her presence both in her scene with Trigorin and after her return to the self-centred Konstantin was very beautiful.

Sorry You've Been Troubled: St. Martin's.

Mr. Walter Hackett's last comedy, "77, Park Lane," caused me to lay odds on a long run. "Sorry You've Been Troubled" does not appear to me to have such good prospects. Three scenes out of five take place in the combined telephone-room and lounge of the Grand Hotel, and while all the fun which can be extracted from telephones, telephone operators, and illicit listening-in is here to be enjoyed, all is not enough. When Ridgeway Emsworth returns from abroad without apparently having told anyone he was coming, his repeated telephonic efforts to find a lady to take out to supper, and his repeated chagrin on learning that each desirable acquaintance has married behind his back, are too many for even the technique of Mr. Hugh Wakefield. The scene in which Emsworth tries to re-discover the body which he swore to having seen on the floor of the room next to his does not move with speed enough; and again when the manager and others attempt to keep him in the hotel against his will, his "business" of partly undressing, walking about with one shoe on and the other off, and re-dressing, is done too many times. There are, as there almost must be in the co-operation of Mr. Hackett, Miss Marion Lorne, and Mr. Hugh Wakefield, many scenes of pure delight, and many of those thrills which Mr. Hackett creates by suggesting hair-raising hypotheses to explain events which subsequently prove to have been quite ordinary; Miss Lorne and Mr. Wakefield are as good as they invariably are; and the other parts are well performed. But our expectations on entering the theatre, which Mr. Hackett's past work has given us a right to, that our midriffs would be tickled and our marrows iced and warmed again so thoroughly and so often as to produce an exhilaration lasting a fortnight are not fulfilled. After what scented of murder diminished to no more than an attempt to protect an erring lady from a straight, old-fashioned husband, something seemed to have gone out of the play, in spite of the erring lady, as played by Diana Wynyard, being so blonde, and so graceful both in speech and deportment.

The Merchant of Venice: Little.

In spite of many opinions to the contrary, I see no more reason why a woman should not play Shylock, Macbeth, or any other male character, than there was why boys should not play girls' parts in Shakespeare's time. The question is not whether the woman ought, but whether she can. There was once a certain Colonel Barker who lived as a man, practising, among other callings, that of boxing instructor. When her opponents thought her a man she knocked them out. When she knew that they knew her to be a woman she probably shed tears. She certainly allowed her husband to beat her. This has not, of course, much to do with Lucille la Verne's performance as Shylock, but it has to do with all the criticisms made in the knowledge that she was a woman. I tried to forget it, but could not. Nevertheless, her Shylock was a good Shylock—not a great one by comparison with the greatest, but a good one by comparison with any. Miss la Verne delivered her lines as if they were meant to be spoken with passion, and to be understood. Her blank verse, while still blank verse, is as intelligible as modern prose. In the trial scene her performance and exit were completely convincing, and it was only at the last moment of that scene that I recollected her womanhood. She sharpened the knife more as if she were going to use it than any Shylock I have seen. Nevertheless, I feel that some power was wanting, something

wanting in stature and tragedy, and something short in the force of her hate. But the only criticism I should really be interested to hear is her own.

Some of the other parts are performed by actors familiar at the Old Vic, and it was good to see how their experience of Shakespeare put them at ease. Indeed, Andrew Leigh's Launcelot Gobbo was the outstanding performance of the play, perfectly accommodated to the smaller theatre. Mr. Barry K. Barnes, who played Lorenzo, has a good voice, with clearly shaped vowels. But his gestures are not all the time suited to his words, and in the moonlight scene in Portia's garden, when he invited Jessica to sit, they were an incongruously staccato accompaniment to very flowing words. Both as the Doge of Venice and Stephano Mr. Peter Ridgeway acted excellently. As the Prince of Morocco Mr. R. Halliday Mason was elocutionist not actor, and as Jessica Miss Dorothy Dunkels would have been more appropriate to a modern-dress production. At the first appearance of Miss Virginia Pemberton, who played Portia, the actress appeared to me too feminine for Portia, but after reflection on her lines I do not think so. She also speaks blank verse to be understood, and her work in the trial scene was very good. Sometimes she gave the impression of reciting rather than acting, but it was intelligently criticised; but if she is as young as she seemed, there is no reason whatever for her to be discouraged.

PAUL BANKS.

The Screen Play.

The Cock-Eyed World.

This film (Capitol) is described by its makers as the "talkie" sequel to "What Price Glory?" This it is only in the sense that sequels are proverbially disappointing. "What Price Glory?" was an outstanding film, and is easily the best screen play of the late war, as distinguished from historical reconstruction of the "Ypres" type. "The Cock-Eyed World" is another instance of the passion for repetition characteristic of most film-makers, although the repetition here leaves out most of the essentials. The leading parts are again taken by Victor McLaglen and Edmund Lowe, and the constant rivalry of the two men, mainly over wenchings of an oncoming disposition, is also repeated. But there is hardly a trace of the conception or treatment that made "What Price Glory?" so good that it only just failed to achieve greatness.

Instead there are disjointed episodes, warfare in Central America, aeroplanes in action, an opening scene in Russia after the armistice (which, if I am not mistaken, takes liberties with history), and a variety of erotic passages which leave very little to the imagination except the completion of the carnal act. And noise. Immense quantities of noise, mostly by that most unpleasant of all instruments, the human voice. The film certainly should be a box-office success, although I doubt its appeal to women, but its entertainment value would be increased if it were shortened. I do not object to its vulgarity, which is of a frankly Elizabethan character, but if I could be surprised at anything done or undone by our puerile censorship I should be surprised at its licensing some of the more emphatic posterior-wagglings of Lili Damita, who is highly to be commended in this genre of acting. Perhaps the best description of the film is that its most appropriate title would be "What Price Whoring?"

Topical Films.

I am informed by the Gaumont Company, which will shortly present topical films in sound, that the

policy to be adopted in connection with this new venture is one which "will restrict the film to the reproduction of news and news alone." I am delighted to hear it, and I shall be still more delighted to see it. There is nothing quite so banal and unimaginative in the film industry as the average topical news reel, despite the fact that the whole world and the whole range of human activities are open to it. But what we actually get is a member of the Royal Family inspecting boy scouts or visiting an East End hospital; athletic and most uncomely females playing tennis; glimpses of the back streets of provincial cities, complete with Mayor and Corporation in bowler hats and chains of office; living fashion plates in which woman is always referred to as "Eve" or "the fair sex" (credo quia impossibile); and a lady or gentleman diving off a spring-board. Even the picture pages in the daily newspapers, those epitomes of stupid snobbishness, are by comparison catholic in their range. The average "topical" indeed makes the world an even more unreal place than it is depicted in the average commercial film play. If the Gaumont Company can give us pictorial news it will deserve well of humanity, but I am handing out no bouquets until I see their Sound News.

DAVID OCKHAM.

Music.

Not content with flattering the greatest ignorance of the greatest number with a list of barbarous mispronunciations, outraging alike euphony, good taste, and the canons of correct speech, the B.B.C., it need not surprise us, does not appear over anxious to ensure the accuracy of the information conveyed to its patrons in its official organs. These observations are prompted by some remarks on Liszt and transcriptions in a recent number of the *Radio Times*, which show that the writer is as far from grasping the nature and canons of transcription—he uses the word so loosely that he applies it to what he obviously means is an *arrangement*—as he is from any understanding or insight into the quality and character of Liszt's transcriptions. Now were the *Radio Times* a periodical whose circulation were confined to an educated circle of music-loving readers, although the presence of such remarks would cause astonishment if they got past the editor, no one would take them, let us hope, seriously. But an organ such as the *Radio Times*, circulating among tens of thousands of readers, for whom the printed word acquires often a canonical weight, incurs a much graver responsibility in propagating error. To advertise Mr. Harold Samuel in large letters on a title page as "Bach's best interpreter," not one day after the greatest Bach player had played almost unheralded, i.e., Egon Petri, is pestilent nonsense, and shows a lack of judgment that is indecent. These two bright thoughts occur in two consecutive issues, by the way.

To return, however, to the transcription and arrangement question at the risk of being informed of Queen Anne's regrettable demise by some of my offended readers, it is desirable to point out for the benefit of those who have not the special knowledge to know the difference, in what this consists.

An *arrangement* is a mere note-for-note transference from one medium to another—the most familiar being piano arrangements for one or more players of orchestral works, operas, etc. In these, while a great deal may be left out, and often is, as not being *Klaviermässig*, nothing is put in which is not actually in the original, the transcription is the *translation* of a work into another medium, as though it had been written for that medium, in the first instance, with technical devices peculiar thereto. It is a radically

different thing, and is almost a rewriting of the work in terms of the new medium. Decorative matter may be added, derived harmonically from the original, more or less directly, as in the piano transcriptions by Busoni of Bach organ works, in which the transcriber has sought literally to translate into pianistic equivalent the effect of these works as played by an accomplished organist. Here, it is obvious, will be a great deal of additional matter calling for a degree of ingenuity, skill, and artistry of the greatest order, and a transcription such as this is a genuine achievement of interpretative art attaining in the works just mentioned, the highest known level in their class.

The transcriptions of Liszt fall into two classes—transcriptions proper and those freer fantasias on fragments from operas or such that are virtually original compositions. This branch Liszt raised to the highest imaginable pitch. The pianistic brilliance, the marvellous ingenuity and inventiveness of treatment, the richness and variety of harmony, the magnificent structural cogency of the "Norma" fantasia, for instance, place this work, for such as know better than that Liszt's transcriptions consist merely or even to any extent of "meaningless glissandos" (sic!) and "airy fairy tinklings," according to the *Radio Times* writer, high up among the great piano works. The writer ends up with a patronising pat on the head, "It is a difficult craft, and perhaps we do not praise half enough those who practise it, the Liszts, Tausigs, Busonis, and Godowskis of music" . . . concluding with this little gem, "After all (the more elaborate and overloaded transcriptions apart), it is to these men that many of us owe the pleasure we gain by being able to recapture on the homely pianoforte the delight that we have had from, let us say, *some orchestral work*" (my italics).

I should dearly like to know the "some orchestral work" ("some" is most wisely vague!) the delight whereof "many of us" have been able to recapture on the "homely pianoforte" in a Liszt, Tausig, Busoni, or Godowsky transcription, seeing that the only standard orchestral works transcribed by any of these four are some Wagner extracts by the first two of a difficulty quite beyond those "many of us" and their "homely pianoforte."

KAIKHOSRU SORABJI.

"I am not so enamoured of liberty as to love to be idle. I love to be my own master, when my spirits are more prompt, when my brain is vegeat and apt for thought. If I were richer, I should lead a better life than I do; that is, better divided and more able."—*From Emerson's Journals.*

"I confess to some pleasure from the stinging rhetoric of a rattling oath in the mouth of truckmen and teamsters. How laconic and brisk it is by the side of a page of the *North American Review*. Cut these words and they would bleed; they are vascular and alive; they walk and run."—*From Emerson's Journals.*

"Montaigne has the *de quoi* which the French cherubs had not, when the courteous archbishop implored them to sit down. His reading was Plutarch."—*From Emerson's Journals.*

"Chastity, by nature the gentlest of all affections—give it but its head—'tis like a ramping lion and a roaring bull."—*Tristram Shandy.*

"Dr. Ripley prays for rain with great explicitness on Sunday, and on Monday the showers fell. When I spoke of the speed with which his prayers were answered, the good man looked modest."—*From Emerson's Journals.*

"I have been very poor the greatest part of my life, and have borne it as well, I believe, as most people; but I can safely say that I have been happier every guinea I have gained."—*Sydney Smith.*

Dette de la Grande-Bretagne Envers L'Amérique.

Véritable manière de s'en acquitter.

(Correspondance entre le Commandant C. H. Douglas et le Premier Ministre alors Mr. Lloyd George.)

6 septembre, 1922.

Monsieur.—Il est possible que mon nom ne soit pas complètement inconnu de vous, à propos de la discussion qui s'est élevée sur les défauts possibles de notre système de Crédit Financier. L'on ne saurait plus longtemps mettre en doute que c'est de là que provient la gravité croissante de la situation générale.

Ayant cela comme objectif et conscient de la rapidité croissante avec laquelle une opinion publique plus attentive s'intéresse à ce sujet, j'ai l'honneur de solliciter de votre part une courte entrevue.

La vraie science est celle qui sait prévoir; et le cours qu'ont pris les événements depuis 1918 a été une sérieuse confirmation de la prédiction faite alors, quant au résultat de la politique financière et industrielle poursuivie depuis lors en Grande-Bretagne et aux Etats-Unis.

Auriez-vous l'extrême obligeance de vous reporter pour cela au numéro du 20 mars, 1922, du *Canadian Hansard*, discours de Mr. William Irvine, Représentant de Calgary Est.

Veuillez agréer, etc., (Signé) C. H. DOUGLAS.

Au Très Honorable David Lloyd George, M.P., P.C.

10, Downing Street, Whitehall, S.W.1.

1er septembre, 1922.

Monsieur.—Le Premier Ministre me charge de vous accuser réception de votre lettre du 6 cte. Mr. Lloyd George regrette de ne pouvoir vous accorder une entrevue mais vous fait dire qu'il prêtera la plus grande attention à toutes les idées que vous voudrez bien lui soumettre.

Veuillez agréer, etc., (Signé) G. H. SHAKESPEARE.

Au Commandant C. H. Douglas.

11 septembre, 1922.

Monsieur.—J'ai reçu votre lettre du 8 septembre et regrette que vous ne puissiez ménager une entrevue avec moi. Je remarque néanmoins que vous êtes disposé à prêter attention à des propositions touchant les Finances.

En conséquence j'ai l'honneur de soumettre à votre examen les propositions précises suivantes, qui nécessairement, vous le comprendrez, ne sont exposées que dans leurs grandes lignes.

(1) Que le gouvernement de la Grande-Bretagne adresse au gouvernement des Etats-Unis, et publie en même temps, une note supplémentaire exposant avec le maximum de clarté (a) que la dette contractée envers les Etats-Unis par les Puissances Alliées en général et la Grande-Bretagne en particulier l'a été pour l'obtention de *marchandises*

* et que l'appréciation de capital qui s'est produite en conséquence de l'approvisionnement de ces marchandises s'est accrue aux citoyens des Etats-Unis ainsi que les moyens financiers qui représentent cette appréciation.

(b) Que les Puissances Alliées, et la Grande-Bretagne en particulier, sont prêtes à livrer maintenant au même taux, pendant une période égale, et aux prix en vigueur aux différentes époques où les dettes ont été contractées, des marchandises pour la valeur de la dette, contre des Bons de Guerre des Etats-Unis qui seraient annulés à la réception.

(2) A l'acceptation de cette proposition par le gouvernement des Etats-Unis, les Puissances Alliées notifieraient aux ex-Puissances Ennemies que des matières premières et des objets semi-manufacturés sont requis à cet effet. (1b.)

(3) Pendant la période pendant laquelle (2) s'effectuerait la capitalisation de crédit de toutes les industriels en Angleterre serait supposée être de dix fois les gains de 1922.

(4) A la fin de chaque période subséquente de trois mois, postérieure à l'accord (1) une nouvelle estimation du crédit de capitalisation des industriels britanniques serait faite sur la base de (3) et l'accroissement collectif serait pris comme l'accroissement pour cette période du crédit général.

Cinquante pour cent de l'équivalent financier de ce crédit servirait de provision aux crédits flottants requis pour financer (1) et cinquante pour cent servirait à permettre aux détaillants de fournir des marchandises aux consommateurs du pays à prix réduits.

S'il se trouvait au contraire, comme tel peut bien être le cas, que les influences prédominant dans le gouvernement des Etats-Unis se souciaient moins de liquider la dette que de s'en servir comme d'un moyen de pression pour l'imposition d'une certaine politique, il est clair qu'alors la question

serait de la dernière gravité pour les citoyens de la Grande-Bretagne et des Etats-Unis.

Je suis certain que vous ne verrez aucun inconvénient à la publication de cette correspondance, mais ne prendra aucune détermination dans ce sens avant le 16 cte.

Veuillez agréer, etc.,

(Signé) C. H. DOUGLAS.

Au Très Honorable Lloyd George, M.P., P.C.

10, Downing Street, Whitehall, S.W.1.

14 septembre, 1922.

Monsieur.—Le Premier Ministre me charge de vous remercier de votre lettre du 11 septembre et des propositions contenues dans votre lettre.

Veuillez agréer, etc.,

(Signé) T. L. STEVENSON.

Au Commandant C. H. Douglas.

* "L'appréciation de capital" Cette phrase veut dire les usines, machines, etc. qui s'étaient construites dans les Etats-Unis à fin d'exécuter les commandes pour matériel de guerre livrées à la Grande Bretagne.

"en conséquence de l'approvisionnement" Cela signifie que la dite appréciation de capital a été causée par les commandes de matériel de guerre passées par la Grande Bretagne aux Etats-Unis; c'est-à-dire, si la Grande Bretagne n'avait pas commandé les dites marchandises les capitalistes américains n'auraient pas construit autant d'usines, machines, etc. qu'ils l'ont fait.

"s'est accrue aux citoyens des Etats-Unis" Cela veut dire que les nouvelles usines, machines, etc. sont devenues la propriété des américains; toute cette propriété est restée dans leur possession, et nulle partie n'était livrée à la Grande Bretagne, mais une portion considérable du coût de cette propriété a été débité à la Grande Bretagne dans les prix élevés qui s'étaient chargés pour le matériel de guerre. Il en résulte que la Grande Bretagne doit, et l'on attend, qu'elle paye, les frais d'une construction considérable d'usines, machines, etc. qui a resté dans la possession des américains et dont ils s'en servent pour faire concurrence à la Grande Bretagne en particulier et aux Alliés en général.

"ainsi que les moyens financiers qui représentent cette appréciation." La phrase "les moyens financiers" signifie, en ce sens, des crédits de dollars. Ces crédits-ci "se sont accrues" aux américains, c'est-à-dire c'est le peuple américain qui a reçu et a dépensé les dollars. Il faut dire que la Grand Bretagne n'a point reçu de dollars. C'est les citoyens américains qui ont reçu le nouveau capital physique (les nouvelles usines, machines, etc.) ainsi que les nouveaux crédits de dollars qui représentent ce nouveau capital.

LETTER TO THE EDITOR.

KEEP THE CHANGE.

Sir.—A change seems to be taking place in the Social Credit movement. One notices this change—a change of outlook, more than anything else—reflected quite clearly in the "Notes of the Week," in "Letters to the Editor," and in several of the articles which have appeared in *THE NEW AGE* lately. It might be called a change from an almost purely academic attitude towards a political sense. One feels that the Social Credit movement is passing out of the dim womb of theory into the rather harsh, white day-light of the stream of events. By this I do not mean to suggest that Social Credit has become what people call "practical politics"—but it is certainly heading in that direction. For one thing, there is a change in tone—"tone of voice," perhaps?—in that cynicism, superficial sarcasm, and bitter facetiousness, which, all lumped together, can be covered by the word petulance, is giving place to more realistic approach to the everyday problems facing the movement. Instead of a certain peevishness of spirit, in stead of a complaining, fretful querulousness in regard to what amounts to a boycott and conspiracy of silence on the part of those in authority, who know perfectly well that the Social Credit movement begins to speak with authority itself. And this, not only in its exposition of its theorem, but also in beginning to shape out its tactics as a movement that means to see Social Credit introduced into this country. This change of attitude is a most important and a most hopeful sign; for any such change must lead to a quite different phase of activity on the part of each individual. After all, "the way we look at a thing" makes all the difference. One man, looking at a long and uninteresting stretch of straight Roman road may decide to sit down and wait for a motor-bus. He cannot abide trudging on along that endless ribbon of white road stretching ahead

of him. Another man, on the same stretch of road, sees it quite differently. He is going to visit a very charming girl who lives just outside Lowcester. He is so eager to get there that he cannot bear to wait for the motor-bus. With the vision of Flora, or Joscelind, or whatever her name is, before him, he cannot bear to sit all huddled together in a bus with a lot of silly people who don't know how wonderful Flora or Joscelind is. He wants to stride along that great straight highway; the action puts his whole being into a right fettle for that happy ending. The road for him is something to be overcome. He enjoys striding over it, treading it underfoot, shortening the distance between himself and—Flora (or Joscelind, as the case may be).

One cannot help feeling that the Social Credit movement is now looking at things differently. The chief difference, as I see it, is made manifest in a much calmer, self-reliant, and determined attitude. The petulant pout has gone. In its place is appearing an easy confidence that may yet develop an effortless technique. Not a technique that calls for no energy, but a technique that does not waste itself in worthless fretting and useless fuming against circumstances that can only be affected by some skilful exploitation of the turn of events. It is more like the spirit of the "happy warrior," and less like the pettishness of a "spoilt child."

A true determination does not take the twinkle from the eye. Clenched fists and set jaws will not do the trick. But the faith that has done with all further argument—because it knows all the arguments from A to Z, and has come to definite conclusions—can forge an effective tactic in accordance with the needs of the moment, and can afford to laugh!

D. H-DE-L.

Retrospect.

OCTOBER 1, 1925.

The Bakers' Associations and the Food Council—who would gain by the "halfpenny off the loaf"?—how the bakers should reply to the Council's attack.

Germany's experience under the Dawes Scheme—the *Financial Times's* managing editor's interview with Herr Kastl, who is in a position similar to the President of the F.B.I.—Herr Kastl's fears of American absorption of German basic industry and control of European prices.

The French Debt-funding Commission in America—Colonel Willey's suggestion for transfer of American gold to Europe.

SEPTEMBER 30, 1926.

The Press and the coal crisis—mutually contradictory views: are they intentionally so, to catch miners' votes for one or other of the three Parties?—Mr. Garvin as an example.

The Bishop of Manchester's defence in *The Times* of the Church's intervention during the General Strike.

The "economy-axe" at work in France.

The National Catholic Congress and birth-rate, not the thuanism would lower the Protestant birth-rate, not the Catholic.

Heterodoxy in Propaganda. I. By Arthur Brenton. (Advocates the inversion of accustomed "good" and "evil" values.)

SEPTEMBER 29, 1927.

The "New Constitutional Party"—its reference to "international finance as cause of economic troubles."

The Irish Election—Mr. Cosgrave's majority of 6—comments on the Shannon loan—on protection policy—on land-purchase default.

André Maurois's book—the war against the moon. *The United States and the British Empire. I.* By C. H. Douglas.

Social Credit in Summary. By Arthur Brenton.

SEPTEMBER 27, 1928.

The British National Population Committee—to examine whether Britain is over-populated—findings not for publication but for "the service of science."

The world's wheat surplus—the *Financial Times's* analysis of the price aspect criticised.

The first instance of heckling at the Bank of England's half-yearly meeting, Mr. E. T. Hargreaves.

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