

# THE NEW AGE

INCORPORATING "CREDIT POWER."

A WEEKLY REVIEW OF POLITICS, LITERATURE AND ART

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## NOTES OF THE WEEK.

The *Sunday Referee* of November 16 published the following letter from Major C. H. Douglas.

Sir,—To the growing number of persons who recognise the paramount importance of modifications in our financial system the publicity given to questions of this character in the *Sunday Referee* must be a matter of common gratitude. It is therefore with no desire to criticise unduly that I suggest that your contributor "Arthurian" conveys a somewhat misleading impression in his article of the 9th instant, in which he suggests, or at any rate does not contest, the correctness of the heading of the statement extracted from the Blue Book entitled "Financial Accounts of the United Kingdom."

As shown, these accounts would suggest, as your contributor states in his sub-title, that "the Government owes over fifty times its assets," but it must surely be obvious that only in the most limited and misleading sense does this statement bear any relation to fact. It is one of the most curious features of the existing state of chaos in financial affairs that Great Britain has no Capital Account, and the assets shown in the statement in question are in the first place not truly assets at all, but are merely the liabilities of other undertakings. Or to put the matter in another way, if all the undertakings whose securities are shown as assets were amalgamated with Great Britain, the securities which now appear as assets would all be liabilities.

The true assets of Great Britain are, of course, its general capital assets such as populations, harbours, roads, railways, organisations, factories, farms, and so forth. These are assessable in terms of reality: they can produce definite quantities of goods and services.

The liabilities of the country are liabilities to deliver money, and the true core of the present financial confusion is the acquiescence, no doubt stimulated from interested quarters, in the assumption that the liability to deliver money can be substituted at will, on the part of the creditor, by a liability to deliver goods, and vice-versa.

To this letter the Editor appended the following reply:

Even if the country had a Capital Account, such as that which Major Douglas calls for, it would be a costly futility. Existing accounts suffice.

The Government Statement of Liabilities and Assets, which "Arthurian" included, in full, in his article last Sunday, is sufficient concern for the public in general,

and the Government in particular, in relation to the country's solvency. It serves the practical purpose, seeing that the Government in that connection is the country.

It was one of the points in the article by "Arthurian" that the Government Securities that now appear, in general accounts of individuals, as assets, although they are offset by liabilities of those individuals, are themselves liabilities, and are proved so by inclusion in the Government's liabilities, which, of course, for that very reason, are also liabilities of individuals in general throughout the country.

Major Douglas correctly states the real assets of the country, but he has not grasped the point made by "Arthurian" that the Government, whilst it has these heavy liabilities, ought to hold first charges on real assets in so far as these include productive properties, and that the capital value of these charges would, in due time, truly balance the liabilities in the Government's Statement.

The financial reform which "Arthurian" advocates would enable the Government to balance its account in this manner, with enormous benefit to the country, including its complete emancipation from its present economic distress. The absence of this reform will soon put the Government beyond any possibility of solvency, for the once productive assets of the country are either ceasing to be productive by becoming derelict or obsolescent, thus, themselves, becoming liabilities instead of assets; or they are passing into the possession of foreigners, or foreign institutions, whose financial penetration, having the Government backing of the countries of their origin, will never—if the penetration goes much further—be uprooted without war.

Is it not known that France owns claims to all our gold? How much ownership and control of any property of real value is falling into the hands of Americans? How much other of our property is ceasing to be worth owning and controlling? What is the true significance of the Harkness Dole?

The only place in this reply where the Editor says anything intelligibly relevant to the point made by Major Douglas is in the first paragraph. A national capital account, he says, would be a "costly futility"—"existing accounts suffice." The only common ground he holds with Major Douglas is in the fourth paragraph, where he agrees that the real assets of the country are correctly stated. The rest of the reply is an assortment of technical and political *obiter dicta* bearing no clear relation either to each other or to the idea propounded by Major

Douglas. Comprehensively the reply does serve to show to readers of this journal that the Editor of the *Sunday Referee* accepts the present axioms of cost-accountancy, and is content to base his own scheme of credit-reform on the figures got out by traditional accountancy methods. In short, he is a credit-regulator but not a price-regulator. "Existing accounts suffice"—i.e., existing monetary valuations of visible capital assets when compared with existing figures of visible circulating money "is sufficient concern for the public in general." Perhaps so, but the opinion of the public as to the sufficiency of financial data has nothing to do with the technical problem of reforming the economic system. Clearly everything depends upon whether Major Douglas is right or wrong in saying that these data are the result of inaccurate measurements. It is a curious proposition to say: Let us argue on false figures because the public are accustomed to them!

"Arthurian"—like many other credit-reformers—will probably deny that the figures are false; and if he and they have satisfied themselves of this there is nothing more to be said to them except that sooner or later Major Douglas's challenge will become the centre of the general inquiry into finance, and they will be obliged to disclose the reasoning on which they base their present attitude—which seems to be that Major Douglas's reasoning is unsound, or, if sound, that his conclusions have no practical bearing on the general problem.

Fundamentally—which means physically—all capital assets, by whomsoever held, represent suspended consumption. They are bound to be absorbed in consumption or wasted. One can get a simple picture of this by supposing a closed area where the community's natural resources consist of ice and their means of living consist of water. Their economic activity would be ice-mining—bringing ice to the surface and letting the sun thaw it into a consumable form. One of two things will happen, either they collect and drink all the water or they allow it to drain back into the place from whence it came. Whichever they do—or to whatever degree they do either—one thing is certain, that the ice will melt anyhow, whether the water is used or wasted. The current financial phrases, "maintenance" or "depreciation" or "replacement" of capital represent the fact that physical assets are being slowly destroyed by natural processes—that, e.g., iron rusts, rubber perishes, bricks and mortar crumble, and so on.

Imagine, then, such a community's having raised and accumulated, say, 1,000 tons of ice. Assuming that ice gives weight for weight in water, then the value of the iceberg (to call it so) is 1,000 tons of water. If now we measure both by a common monetary unit, say, £1, we can say that the value of the iceberg is £1,000. And so it can be, but only on the condition that the community will be able to put up £1 per ton as fast as the ice melts. If not, then the value of the iceberg will be so much less than £1,000, notwithstanding whether £1,000 or any higher amount of money had been previously paid out in costs of ice-mining. This is because, under existing accounting principles, the value of an asset is what it will fetch. What it will fetch depends on how much money there exists to be fetched at the only place where money can be fetched—namely, the consumers' pockets.

This is where a vital distinction arises between the current principle of commercial valuation and the proposed principle of governmental valuation. The commercial valuation is adjusted empirically by

reference to what money there is about. The governmental valuation would be the total of ascertained costs irrespective of what money there was about. Instead of writing down costs of assets to equate with the consumers' power of meeting them, it would write up the consumers' purchasing power to equate with the ascertained costs of the assets. It stands to reason that if, in the case of the 1,000-ton iceberg, £1,000 is ascertained to have been dispensed on building it, the true financial value of it at any subsequent time is its weight in tons expressed as Pounds Sterling. In a national ledger the Government would originally enter the iceberg as a concrete asset worth £1,000 and balance it by a financial liability of £1,000—a frozen asset balanced by a frozen credit. The Government would afterwards thaw out the credit and distribute it as money to the community at the same rate as the iceberg thawed into water.

This is, of course, not intended as an illustration of method; it is intended to illustrate the inversion of a principle—namely, the raising of purchasing power to equal costs instead of writing costs down to equal purchasing power. Under the new over-riding principle the present system of calculating assets and liabilities will be a "costly futility. Between "assets" and "money" the element of "liability" will drop out as useless jargon in a national sense. It will serve merely to describe temporary indebtedness between business concerns.

Collective valuations of assets and liabilities—whether relating to Government or industrial property—are vitiated by two accountancy omissions: (1) that they include no record of repaid bank-loans issued in the past for producing assets (2) that they merge together the figures representing bank-finance and private investment. Thus we get a position something like this. Put a banker on the ice-field, and he can create, issue, recall and cancel £1,000 of credit as many times as you like. Each time an extra 1,000 tons of ice is raised, and, every time, the value of the iceberg will be increased by £1,000. You can thus get ice up to the weight of, say, 10,000 tons, and it will be worth (at cost) £10,000; and yet the community will not have more money than £1,000 in current circulation at that time. What is its value as an asset? As a realisable asset it cannot be worth (cannot fetch) more than £1,000, even supposing the community able to apply the whole of its money to buying it—which it could only do if it stopped drinking water. Yet as a service-rendering asset it is worth £10,000—or, if you like to allow for interim consumption and knock off, say, 50 per cent. from your 10,000 tons, then your asset weighs 5,000 tons and has a service-value of £5,000 as against a market-value of £1,000 as a theoretical maximum (assuming the community stops buying water) or a practical maximum of probably not more than £50. What the exact figure may be does not matter; the point is that the banker has recalled credit faster than the iceberg has thawed. The accountant has to value the asset by reference to the money visibly circulating among the community, and takes no account—nor can do so—the money hidden away by the banker.

The process by which he does this is familiar. He is induced or compelled to buy assets at cost, and left to realise them at what they will fetch—which may be anything below cost down to zero. In public accounts no attempt is made to distinguish and measure this short-circuiting of money; and the consequence is that they distort—and in a fundamental aspect invert—the truth of the country's position. A little reflection on what we have said will show the

the apparent insolvency of a nation, or industry regarded collectively, is due to the omission to include the banker among the debtors on the assets side of the account. For a banker withdrawing credit at a faster rate than that at which the community consumes the asset produced by that credit, is virtually borrowing from the community. He should therefore credit the Government, as Trustee for the community, with a sum measuring the difference in rates. This credit would be at the disposal of the Government and would be used to support the domestic consumption market—to restore peacefully that missing demand for goods which lies at the root of all economic and military risks and animosities. The banker does not do this; and he takes care to prevent the public from learning why he should and how he could. He is the Unknown Debtor for whom the Unknown Warrior died.

Let us now consider the railway problem from this point of view. The railway system is said to be worth £1,100,000,000. This sum is equal to more than half the total money of the country as recorded under "Deposits" in the books of the bankers (1,810 millions). The maintenance of the system involves large sums of money. Mr. W. V. Wood, Vice-President (Finance Service Departments), L.M.S.R., writing in *Modern Transport*, November 22, says that 70 per cent. of railway receipts represent costs which do not vary—or very little—with the amount of traffic. Railways, he says, show a much larger proportion of overhead charges in their costs than do other industries. Unfortunately he does not analyse costs to show which he calls variable and which invariable. For instance, a good proportion of the wage-bill might be included in the above 70 per cent. However, he does emphasise overhead charges as a large factor in railway rates.

It is important therefore to realise that overhead charges originate in bank-loans. If we consider a railway system and its service as representing economic activity in general, we shall see that the construction of the system cannot, in the first instance, be carried on out of the earnings of the system. You cannot build your first railway-locomotive with money earned by that locomotive. And so with every other conceivable form of economic activity—no concern can finance its own origination out of its own earnings. The banker has to give it a start. It is true that normally a concern may borrow from the public, but in principle it borrows from the banker at one or more removes, because all moneys (with two minor reservations) in the public's possession are the proceeds of outstanding bank-loans. If you track the sequence backwards you will come to the door of the banker. The rate at which over-charges must be paid is therefore a function of the rate at which bankers' loans are recalled. More than that: the legitimacy of overhead charges depends upon the legitimacy of the principle on which bankers recall loans.

The application of these conclusions to railway finance will be generally clear. But there is one particular point we want to stress, which is that whereas, in the beginning, bank-loans finance construction in advance of earnings, subsequent reconstruction is financed as much as possible out of earnings. Thus we have Mr. R. H. Selbie, C.B.E., Past-President of the Institute of Transport, in an address to Transport Students last February\* explaining quite complacently that

"Every railway company possesses large reserves in the form of renewal, depreciation, insurance and various

\* *Journal of the Institute of Transport.* March, 1930. p. 209 et seq.

other kinds of funds amounting in the aggregate to many millions of money. These reserves are built up out of revenue year by year. . . . In the case of rolling-stock renewals for instance. . . say that a new locomotive costing £10,000 is put into use, and that . . . such a locomotive will be good for thirty years' service, then a sum of £333 is charged as a working expense each year in the accounts and is added to the Locomotive Renewals Fund." (Our italics.)

He goes on to explain that the money represented in these funds is "invested in the concern"—"in other words the money has been used temporarily for capital purposes in place of raising new stock."

"The usual and accepted method which has stood the test of time is for a company to use its available funds for all purposes, both capital and revenue, and to put its capital account straight from time to time by the issue of new stock."

Now all capital expenditure represents new construction. Such expenditure should in principle be financed by new bank-credits, not by charges on traffic—and certainly not by deductions from railwaymen's wages and salaries. Take a new locomotive worth £10,000 starting to run this year. The travellers, we are told, will be charged £333 a year towards a new locomotive to be built in 1960. But what about the locomotive that is now pulling them? Are they getting its services free, or are they paying back its cost as well as the cost of the future locomotive? Again: supposing that by 1960 the diminished volume of traffic does not justify the replacement of the engine, out of what fund do these travellers get their money back? They are, at any rate, being asked to patronise one locomotive and buy its successor at the same time. But all the money they receive is current earnings. What they want is a "sub" from somewhere on account of the next thirty years' earnings.

The negotiators for the railwaymen ought at the very least to demand a re-examination of the principles of railway finance in this new direction. Whether the demand is conceded or not does not matter so long as it is officially recorded; for in the circumstances of this crisis whatever the negotiators say concerning the accounts which will be put before them will have news-value. They need not know anything about the Social Credit analysis of current accounting: all that is required is for them to realise that the analysis may be true, and that if it is true all the arguments for wage-cuts fall to the ground. For these arguments rest on the assumption that the remedy for the trouble lies in some sort of agreement between the worker, the stockholder and the consumer as to the proportion in which each shall make good a deficiency of revenue: whereas the contention of the Social Credit advocate is that there is a fourth party—the banking interest—which is in debt to the railway system for the whole deficit—and many times its amount. The banker, we say, is the chief debtor to the railway companies—and yet these companies prepare statements of accounts in which his debt is never recorded. The reason is that the principles on which debits and credits are entered have been designed by the banker. The reason why the trick is not discovered is much the same as if a bar-man in a public-house were to burn pound-notes, declare the till short at the end of the day, and tell the proprietor that he and his customers must negotiate about an adjustment of prices or profits or both. So long as the fellow could prove that he had not got the missing money, there would be nothing for it but to do what he suggested. That he should have destroyed money would be unthinkable. Mr. McKenna's statement that the repayment of a bank-loan destroys a deposit is misleading because it is impersonal. He should have said that when a banker receives back a loan he destroys a deposit. The destruction is not

automatic—it has not got to happen—he makes it happen. And because he makes it happen he deprives industry of revenue and lands it into conflict with investors, workers and consumers.

The banker has a glib excuse. He *must*, he says, make his accounts balance. If he gets back a loan of, say, £10,000 and does not cancel it, he must, he will say, keep it alive as a credit. But whom shall he credit? The money does not belong to anybody. It was nobody's money when he created it and it is nobody's money now that it is back. So he credits "Nobody"—and the method of doing that is to destroy this disturbing £10,000. Beautiful logic is it not? But suppose we say that a newly-created £10,000 is everybody's money. When it comes back it is still everybody's money. Can the banker credit Everybody? Certainly. He can credit the Government. What would the Government do with the money? Well, shall we say that it buys a locomotive from the railway company, agreeing with the company that it shall cut that £333 per annum out of its rate-charges?

This is a rough guide to the new principle. It is not suggested that the whole of every repaid bank loan should be used this way, because some part of the repaid money has already bought goods for consumers. But the other part—and probably the greater part—has bought assets for investors. That part ought to circulate again so that the public can buy those assets from the investors. The whole trouble to-day arises because the public have not got the money to pay overhead charges. It is to the interest of all parties to get that money out of the banker, and it is ruin to them if they do not.

## Social Credit Principles.

By C. H. Douglas.\*

The financial system is the works or factory system of the world, considered as one economic unit, just as the planning department of a modern factory is of that factory.

No discussion of the financial system can serve any useful purpose which does not recognise:—

(a) That a works system must have a definite objective.

(b) That when that objective has been decided upon it is a technical matter to fit methods of human psychology and physical facts, so that that objective will be most easily obtained.

In regard to (a) the policy of the world economic system amounts to a philosophy of life. There are really only three alternative policies in respect to a world economic organisation:—

The first is that it is the end in itself for which man exists. The second is that while not an end in itself, it is the most powerful means of constraining the individual to do things he does not want to do; e.g., it is a system of Government. This implies a fixed ideal of what the world ought to be.

And the third is that the economic activity is simply a functional activity of men and women in the world; that the end of man, while unknown, is something towards which most rapid progress is made by the free expansion of individuality, and that, therefore, economic organisation is most efficient when it most easily and rapidly supplies economic wants without encroaching on other functional activities.

You cannot spend too much time in making these issues clear to your minds, because until they are clear you are not in a position to offer an opinion on any economic proposal whatever.

In regard to (b) certain factors require to be taken into consideration.

(1) That money has no reality in itself. That in itself it is either gold, silver, copper, paper, cowrie shells, or

\* Address at Swanwick in 1924. Reprinted from THE NEW AGE, November 20, 1924. Reprints available as pamphlets shortly at 1d. each.

broken tea cups. The thing which makes it money, no matter of what it is made, is purely psychological, and consequently there is no limit to the amount of money except a psychological limit.

(2) That economic production is simply a conversion of one thing into another, and is primarily a matter of energy. It seems highly probable that both energy and production are only limited by our knowledge of how to apply them.

(3) That in the present world unrest two entirely separate factors are confused. The cry for the democratisation of industry obtains at least 90 per cent. of its force from the desire for the democratisation of the proceeds of industry, which, is, of course, a totally different thing. This confusion is assisted by the objective fact that the chief controllers of industry get rich out of their control.

I do not, myself, believe in the democratic control of industry any more than I should believe in the democratic control of a cricket team, while actually playing, and I believe that the idea that the average individual demands a share in the administrative control of industry is a pure myth.

The present world financial system is a Government based on the theory that men should be made to work, and this theory is considerably intermixed with the even stronger contention that the end of man is work. I want you to realise that this is a statement of fact, not a theory. More than 95 per cent. of the purchasing-power actually expended in consumption is wages and salaries. It will therefore be seen that there are two standpoints from which to examine its mechanism. The first considered as a method of achieving its political end of universal work, and the second as a means of achieving some other political end—for instance, the third alternative already mentioned.

Considered as a means of making people work (an aim which is common both to the Capitalist and Socialist Party Politics) the existing financial system, as a system, is probably nearly perfect. Its banking system, methods of taxation and accounting, counter every development of applied science, organisation, and machinery, so that these advances instead of obtaining the benefit of these advances in the form of a higher civilisation and greater leisure, is merely enabled to do more work. Every other factor in the situation is ultimately sacrificed to this end of providing him with work, and at this moment the world in general, and Europe in particular, is undoubtedly settling down to a policy of intensive production for export, which must quite inevitably result in a world cataclysm, urged thereto by what is known as the Unemployment Problem. To blame the present financial system for failing to provide employment is most unfair; if left alone it will continue to provide employment in the face of all scientific progress, even at the cost of a universal world-war, in which not only all possible production would be destroyed, but such remnants as are left will probably be reduced to the meagre production of the Middle Ages.

Considered as a mechanism for distributing goods, however, the existing financial system is radically defective. In the first place, it does not provide enough purchasing-power to buy the goods which are produced. I do not wish to enter at any great length into the analysis of why this is so, because it is always a matter of some heated controversy. I have, however, no hesitation whatever in asserting not only that it is so, but that the fact that it is so is the central fact of the existing economic system, and that unless it is dealt with no other reforms are of any importance is that considerably less than the available number of individuals, working with modern tools and processes, can produce everything that the total population of the world, as individuals, can use and consume, and that this situation is progressive, that is to say, that year by year a smaller number of

individuals can usefully be employed in economic production. To summarise the matter, the principles which must govern any reform of the financial system which will at one and the same time avoid catastrophe, and re-orientate world economic policy, along the lines of the third alternative, are three in number:—

1. That the cash credits of the population of any country shall at any moment be collectively equal to the collective cash prices for consumable goods for sale in that country, and such cash credits shall be cancelled on the purchase of goods for consumption.

2. That the credits required to finance production shall be supplied, not from savings, but by new credits relating to new production.

3. That the distribution of cash credits to individuals shall be progressively less dependent upon employment. That is to say, that the dividend shall progressively displace the wage and salary.

I may conclude by a few remarks on the position of the banks, in respect of this situation. It is becoming fairly well understood that the banks have the control of the issue of purchasing-power to a very large extent in their hands. The complaint which is levelled at the banks is generally that they pay too large a dividend. Now, curiously enough, in my opinion, almost the only thing which is not open to destructive criticism about the banks is their dividend. Their dividend goes to shareholders and is purchasing-power, but their enormous concealed profits, a small portion of which goes in immensely redundant bank premises, etc., do not provide purchasing-power for anyone, and merely aggrandize banks as banks. But the essential point in the position of banks, which is so hard to explain, and which is grasped by so very few people, is that their true assets are not represented by anything actual at all, but are represented by the difference between a society functioning under centralised and restricted credit and a free society unfeathered by financial restrictions. To bring that perhaps somewhat vague generalisation into a more concrete form, the true assets of banks collectively consist of the difference between the total amount of legal tender, or Government money, which exists, and the total amount of bank credit money, not only which does exist, but which might exist, and which is kept out of existence by the fiat of the banking executive.

## Hamlet and Tragedy: A Reply.

By C. J. Hunt.

A few weeks ago Mr. Andrew Bonella published in these pages a long and critical review of my essay, "Hamlet Reconsidered." In it he showed himself so doughty a champion of orthodoxy that I felt called upon to make some reply, lest my case should be thought to go by default. Circumstances have prevented me from doing so until now. But I hope that, since the subject is one of perennial interest to all thoughtful people, it will not be found too stale to bear re-opening.

Apart from minor criticisms, Mr. Bonella makes three main points against me. First of all, he challenges my assertion that the Ghost was purely subjective on the familiar ground that such modern ideas were unknown to Shakespeare. In my opinion, this is not argument, but mere prejudice born of blindness to the text. Shakespeare may not have known the word "subjective," but he certainly understood its meaning. In the Closet Scene Hamlet sees the Ghost, but the Queen does not; moreover, she tells him quite plainly that he is the victim of an hallucination. What else does this mean but that the Ghost is subjective? And if it is subjective in Act III., why not in Act I.? Mr. Bonella quotes two passages against me to prove that Horatio was no longer sceptical after seeing the Ghost for the first time. To my mind, these only imply that, much to his own surprise, he has not found his scepticism proof against the suggestion emanating from his companions. He still remains of the same opinion about the Ghost's origin. Else, why does he say, when Hamlet breaks away to "follow the Ghost," "He waxes desperate with imagination"?

Mr. Bonella's second point is that "even if until the Play Scene Hamlet was not sufficiently sure of his uncle's guilt to act, Mr. Hunt must admit that the King's discom-

fort at the re-enactment of his crime was proof enough morally, if not legally," and that therefore he should not have delayed any longer. I am afraid that here Mr. Bonella has not quite understood my argument. In my view, the only proof, moral or legal, that can justify Hamlet in killing his uncle is for the latter to make an attack on his life through fear of exposure. Short of this his conduct is always susceptible of some other explanation. Even his withdrawal in the Play Scene may be interpreted as a gesture of displeasure at Hamlet's "pranks," and it is not until Hamlet changes the commissions that he secures any material evidence of his guilt. But by that time the dénouement of the play has been reached and the tragedy is inevitable.

Thirdly, Mr. Bonella takes exception to my definition of a tragic hero, and holds Professor Bradley up to me as an example. Now, greatly as I admire "Shakespearean Tragedy" (and it was a revelation to me when I first read it), I must assert quite definitely that I believe my own view of the tragic hero to be more in accordance with the facts of our moral consciousness than his. However much we may dabble in theoretical pessimism, it is a fact that our heart leaps up when we hear of a man who is willing to die rather than fail in his duty. Such actions and examples restore our faith in human nature and in the Power which created it. But the spectacle of a man who fails to do what is right and brings ruin on himself and on all those about him through his failure, can, in the last resort, only arouse our contempt or our pity. The categorical imperative is so strong that we feel instinctively that he ought to rise to the occasion. If we become convinced that circumstances made it impossible for him to act as his own best nature dictated, then, although we may pity him, we reserve our condemnation for a world which makes it impossible for right to triumph. It is because I believe this to be a profoundly immoral conclusion that I am forced to reject the theory which leads up to it. I cannot believe that a great playwright dealing with the ultimate questions of life and death would fail to rise to the height of his theme, and give us instead a murderer who is only punished by accident, and a hero whose chief concern is to avoid doing his duty. And when the upholders of this view themselves admit that it involves them in all kinds of inconsistencies and absurdities, it seems to me that there is no more to be said.

In conclusion, let me say that I do not regard Hamlet as a mere man of action, as Mr. Bonella tries to insinuate. If he had been like Laertes, no doubt he would have gone off to kill the King at once, and have been quite as easily disarmed. His own instinct tells him to avoid taking this risk, and keep to the course he has chosen. But the desire to take immediate action remains, and this is the cause of his self-reproach. He does not reproach himself for not wanting to kill the King, but for not following a more attractive alternative—for reasons of which he is not fully conscious.

## ART EXHIBITION.

Mr. F. H. Haagenen is showing a number of etchings and paintings at his studio, 12, Wellington-street, Chelsea (first turning to the right down Flood-street from King's-road). He has made great progress of late years, and the present show is well worth seeing. He is in no way a "modernist," but his etchings, which form the larger part of the exhibition, are very varied in subject and style, and an unusual proportion of them produce active interest. In his wash and line, too, there is a vibrating atmosphere which gives reason to regret that there are not more of them. On show from 3 to 9 daily, and remains open till December 8. L. W.

"The State election campaign in New South Wales has developed into a struggle on a single transcending issue. Mr. Bavin stands for the ratification and fulfilment of the Financial Agreement reached at the Melbourne Premiers' Conference. Mr. Lang stands for the repudiation of that agreement, the abolition of the Loan Council, and the purchase by New South Wales of an independent financial policy. These diametrically opposed attitudes on the question which is of paramount importance clarify the issue and simplify the task of electors. For once it is impossible for even the most thoughtless to complain that the political argument is beyond their understanding. There is a clear-cut choice, and the whole of Australia waits anxiously for the verdict. It may be argued academically that one State cannot break away from the Melbourne Agreement or ignore the authority of the Loan Council. But a victory for Mr. Lang would proclaim the senior State's rejection of financial measures adopted to meet a national crisis by the whole of the seven Governments."—The Melbourne Age, October 13.

## Verse.

By Andrew Bonella.

It was silly of me to boast in these columns that I was sprung from the respectable loins of the Rev. and Mrs. Andrew Bonella, of Peebles; it never occurred to me that I might one day have to review a book of poems in Braid Scots, and that I should then appear as what, God help me, I am, little better than a Sassenach. I must now confess that, having left Peebles at the age of two months and a half, I have never revisited my native land, and that my only real knowledge of the Scots is derived from pleasant evenings spent in the parlours of Dunedin, N.Z., and similar places in the Dominions, listening to "My Ain Folk" being sung around the piano, and watching the patriotic tear gathering in the eyes of the older members of the circle. My only knowledge of poetry in "quainte Inglische" comes from reading Dunbar, with great admiration, in the Oxford Book, and being fairly conversant with the works of Burns—but the less said about that the better, for some of these modern Scots will set the Haggis on you if you tell them that your love is like a red, red rose. I must say at once that Mr. M'Diarmid has made me regret my ignorance, and that if I had more time I should certainly have spent some on the question of Braid Scots before reviewing his book (I). As it is, I have had some expert help, but my remarks must be taken, on the whole, as tentative.

I take it that Mr. M'Diarmid does not speak as he writes. Apparently he uses some middle Scots words, some modern Scots, some neologisms, and, also, by the way, he writes in Spanish, French, Gaelic, Greek, Latin, German (a lot of German) with equal fluency. It is a question if a synthetic literary language can ever shake off the curse of self-consciousness, though, of course, there is the case of Spenser, who, as Ben Jonson said, wrote no language at all. Mr. M'Diarmid is conscious of his difficulties:

Curse on my dooble life and dooble tongue,  
—Guid Scots wi' English a' hamstrung.

and:

But still twixt it and me, a smeekeit glass  
Hings this hauf-English, winna let me pass.

Another objection to making Scots into a literary tongue is the number of dialects; is "awa," for instance, to be rhymed with "flaw" or "bah"? But personally I care very little about the Scots Renaissance as such; what I do feel about it is that any effect it may have on English must be good, for our English is worn and threadbare, as poor and thin as French without the matchless French precision. Think, now, how much Mr. Humbert Wolfe's charming verses would be quickened by a word like "trauchled," or such a phrase as "maikless vir." So good luck to Mr. M'Diarmid!

Professor Lascelles Abercrombie once wrote to Mr. M'Diarmid as follows: "You have a serpent in you which will eat up everything else." Cencrastus is the serpent, and this book is, I suppose, an attempt to pin him down—in fact, to circumjack him. I don't know whether it succeeds, for there is much that is obscure and a good deal which is scarcely poetry at all—and it is a question whether a serpent can be circumjacked in prose. But there is a lot of splendid stuff by the way, and, as the poet says himself,

Suddenly my verse 'll gie men  
Glisks o' the serpent wallopin'.

Mr. M'Diarmid has a real gift of what he calls "gowden lyric":

I saw her in the lily-beds,  
I saw her in the snaw,

(I) "To Circumjack Cencrastus." By Hugh M'Diarmid. (Blackwood. 8s. 6d.)

I saw her in the white sun  
That burned the world awa'.  
And there is the indignation of a poet in this:  
Bonnie Prince Charlie.

A' isna gowd that glitters  
And weel I mind ane came  
And kindled in oor lyart hills  
What look't like livin' flame.

Tho' a's no gowd that glitters  
He keeps his meed o' fame.  
It's easier to lo'e Prince Chairlie  
Than Scotland—mair's the shame!

Mr. M'Diarmid is, of course, a commercial failure:

Oh, it's easy, easy accountit for, fegs.  
I canna gie the folk hokum.  
I can poke 'em and shock 'em and mock 'em,  
But the a'e thing needfu' is hokum!  
It pits a' thing else on its legs.

If only one could give 'em hokum one might have  
A seat on the Bank o' Scotland buird,  
And a public for my poetry.

But somehow the secret has eluded Mr. M'Diarmid,  
and though there may be a spot or two of bunkum  
in his book there is never a smell of hokum:

It isna fair to my wife and weans,  
It isna fair to mysel'.  
The day's lang by when Gaels gaed oot  
To battle and aye fell.  
I wish I was Harry Lauder,  
Will Fyffe, or J. J. Bell,  
—Or Lauchlan Maclean Watt  
For the matter o' that!  
—Dae I Hell!

Mr. Alan Porter's perfectly good English tastes a little flat after the Scots; which may be due either to the need of the jaded modern palate for something strong, or to the poverty of modern English of which I spoke above. This is a generalisation rather than a criticism of Mr. Porter's work (II), much of which is very good; for instance:

The Window.

Unpitied fate, to draw my sight  
To one small window in the night  
As if it were the world of light;

And suddenly to show me there  
The shining countenance, the bare  
Shoulder, the dark disordered hair.

Oh gentles, do you know the pain  
Of the beloved loved in vain,  
And never to be yours again?

In the first two stanzas the picture is drawn with an economy which makes it vivid, but, unfortunately, the moral in the third fails to clinch the effect. Here is a well-pointed stanza from a poem about death:

I am not one that would be thinned  
Into an immaterial wind:  
I have no longing to be seen  
A part of April's sledge of green,  
Or burn where summer suns have been.

And I like this silly little fragment:

The Poet's Journey.

"Good men have bags of money  
And blazoned shields.  
I wonder how much money  
My new play yields?"  
This is what Shakespeare said,  
Wagging his wicked head,  
Walking from Aldermanbury  
To Bunhill Fields.

Parts of Mr. Porter's work have a neatness combined with intellectuality which smacks of the seventeenth century, and the old-fashioned air is heightened by the commendatory verses in the front of the volume; but, however much he may treasure the friendly hyperbole, a poem addressed to Mr. Porter which contains this line:

Alan, in mood and music Coleridge's peer  
is not for Mr. Porter to publish; it only irritates his readers.

(II) "The Signature of Pain." By Alan Porter. (Cobden-Sanderson. 6s.)

## D. H. Lawrence.

By George Ryley Scott.

There is a strong possibility of the development of a Lawrence cult, as there is already existent a Roland Firbank cult, and as there was once a Wilde cult. Two years ago, when the English Press was intent on denouncing Lawrence as an immoral monster, few dared raise their voices in his defence: even his friends were bothered, I fancy, with uneasy suspicions as to what he might be up to next. But with his death they knew where they were. The storm over "Lady Chatterley's Lover" had pretty well died its death. And so, first one and then another hailed the dead novelist as a genius; the Press joined in the chorus; even the women writers, from Miss Rebecca West to Miss Norah Hoult, compete with Arnold Bennett and Frank Swinnerton in sheer weight of their encomiums.

Lawrence is one of the most disappointing of writers: not disappointing in the sense that so many, who, after one or two exceptionally promising initial efforts, go to pieces, are disappointing; but in the fact that as regards his more mature work, at any rate, after a brilliant start, his theme smashes to bits on rocks of his own creation. His early work is free from this defect. "The White Peacock" promised much. "Sons and Lovers," with all its faults, is a notable piece of work. But the moment Lawrence leaves the purely autobiographical he begins to wilt and wobble. True, his more mature work exhibits an improved technique; true, too, but for his reputation as a creator of forbidden fruit, there is a possibility that he would have settled down as a brewer of competent but harmless stories of the Arnold Bennett brand and an unexcelled painter of nature: in short he would have ranked as an accomplished literary craftsman.

The real disintegration of Lawrence dates from his first dabbings in psycho-analysis. From that time his novels degenerated into metaphysical theses peopled with characters who are pathological rather than social. Monsters in human flesh, gods and goddesses, mystics and neurotics, crowd his canvasses. The influence of Dostoevsky is apparent here. The obscenity of "Lady Chatterley's Lover" does not lie in its terminology—no one but a moron who gains his mental sustenance from the popular Press can see anything obscene in the printing of "lavatory words" which shock, where they shock at all, as Lawrence sanely points out, by the strangeness of their appearance in print. No, there is no obscenity here. What obscenity there is lies in Lawrence's passionate reversion to paganism, in his lifting up of an animalistic sex act, which with repetition becomes decidedly boring, to the dimensions of a spiritual revelation. One sees the beginnings of this attitude in many of his short stories, one sees it nakedly in "The Plumed Serpent" it reaches its apogee in "Lady Chatterley's Lover."

Pre-eminently Lawrence is a story-teller and a word-painter. The cold logical argument is not for him. One reads with delight in "Lady Chatterley's Lover" his unfolding of the flaws in civilisation, one settles oneself comfortably to enjoy what should inevitably follow a dozen brilliant beginnings, and then one is suddenly engulfed in a sea of rhetorical metaphysics, or in the reiterated deification of the sex act. One is irritated, much as one is irritated in reading H. G. Wells. It is as if a writer in THE NEW AGE, after correctly diagnosing the diseases afflicting the existent financial system, were, in a fit of rhetorical frenzy, to suggest substituting vouchers made of stone for the present bank cheques and treasury notes. For Lawrence correctly sees in the lack of sufficient money the main disturbing factor in modern civilisation, but there his vision

suddenly ends. No solution occurs to him but a return to paganism—

If you could only tell them that living and spending isn't the same thing. But it's no good. . . . If the men wore scarlet trousers as I said, they wouldn't think so much of money: if they could dance and hop and skip, and sing and swagger and be handsome, they could do with very little cash. And amuse the women themselves, and be amused by the women. They ought to learn to be naked and handsome, and to sing in a mass and dance the old group dances, and carve the stools they sit on, and embroider their own emblems. Then they wouldn't need money. And that's the only way to solve the industrial problem: train the people to be able to live and live in handsomeness, without needing to spend.

It won't do at all; no more than will the extension of sensualism solve the marriage problem. Lawrence dabbled in sex physiology and pathology as he dabbled in metaphysics. But he did not delve deeply. He was content with the superficial: a contentedness which, coupled with his frenzied rhetoric, caused him again and again to start a brilliant theme and then to fall down dismally in its elaboration, as in the recently published remarkable essay in justification of "Lady Chatterley's Lover." To this combination is due his grotesque error in formulating a theory of sexual emancipation on what, relieved of its metaphysical trimmings, is neither more nor less than sexual pathology—the satyriasm of man and the nymphomania of woman. Thus he failed to see the futility of depicting two lovers in cool blood divesting themselves of their clothing and running into a rainstorm there to have intercourse; the absurdity of the climax in his last novel, "The Virgin and the Gypsy," where, while the house in which they have taken refuge is tumbling to bits about their heads and with a corpse on the floor beneath, the girl loses her virginity to a gypsy she scarcely knows. It is this story Mr. Arnold Bennett has praised so outrageously. One wonders what would have been Mr. Bennett's verdict had the novel come to him as the first work of an unknown writer; one wonders, indeed, if it would ever have found a publisher; one wonders again if its main significance is in its indication that the possibilities of Lawrence as a creative artist were exhausted?

## Making the World Safe for Insecurity.

By W. T. Symons.

A pretty paradox, and a tragic fact! The bright young brains employed by the Banks and Insurance Companies are servants of this malignant purpose. The Banks insist, even to the ludicrous extent of a shop-window-lighted night safe, in perpetuating the sense of insecurity in the public mind. At the very time when paper has replaced instruments of intrinsic value for currency, when the world groans under its surfeit of unsaleable goods, and when spending is, on any realistic economics, the crying need of the day, the policy of the financial system as a whole is operated by the Banks so as to engender fear of burglars or of the future, and to conduct the two operations at the same time: to reduce personal incomes over the vast majority of the population, and to induce the deferred spending even of the meagre remuneration that is distributed.

The Bank Director then steps over the road to the Insurance Office, on whose directorate his words of wisdom fall as balm. Having spent the morning creating the psychology of insecurity, what more appropriate than that the afternoon (with a suitable interval for a lunch of ballasting proportions) should be spent in suggesting to the nabobs of the Insurance Hierarchy that their inventive young men should be set on to devise means of returning to the

public (for a suitable consideration) the shadow of a security whose substance the freshness of a banking morning enables him to abstract from under their feet.

He may not even then be too exhausted to call upon his solicitor and chat over a possible development of the law of libel or a further transfer from the banks of responsibility to the public, for which an appropriate insurance may be devised.

But is his good deed for the day limited even to these benefices? Why shouldn't he chat with a Cabinet Minister over his port, on the need of granting more extended Social Services (carefully diluted with each extension) and, sorrowfully admitting the limitations of the political arm in bleeding the living public in taxation for the purpose, provide a further field for the bright young men of his afternoon endeavours, by suggestions for skinning corpses to such an extent that insurance against death duties becomes the feverish pre-occupation of each gentleman who is narrowly missed by a bus on a one-way-traffic street.

He may even drop in and have a night-cap with the millionaire newspaper-proprietor and get him to regard as "news" the figures of road casualties, lest there be any yet unafraid!

Thus are they "compelled to come in," and the world made safe for the purveyors of insecurity. Selah!

## Drama.

### Sturm im Wasserglas: Arts.

There is a story about a Chinese who had to appear in court in connection with some trouble about a dog. The judge inquired of the interpreter what sort of dog it was, and the interpreter passed the question on. The Chinese thereupon held the court spell-bound with impassioned discourse and gesture for fourteen minutes. To the patient judge's question as to what sort of dog the Chinese said it was, the interpreter replied: "He says, your Lordship, that it is a black dog." It would not be incredible to learn that Herr Bruno Frank sat down to write "Sturm im Wasserglas" after leaving that court. The storm is caused by a dog, and recalls a farce produced a few years ago at the Lyric Theatre, the villain and hero of which was a Pekingese which wrecked several homes. The dog, it seems, is now so confident of its status as the friend of man that it causes nearly as much trouble as woman, so that its domestication is well attributed to Loki, the devil.

The flower-woman chose an opportune moment, as the journalist would have said, for applying to the prospective Mayor of a town in South Germany for her dog back. It had been seized because she could not pay the increased licence, just as, in a few years, if the journalist-Dean has his way, the babies of the poor will be seized to save poor-relief. Her dog was to be destroyed, no doubt, as humanely as the babies of the poor will be. It was lucky for the flower-woman that the journalist who attended on the prospective Mayor to interview him while the woman's petition was being turned down was not an ecclesiastical journalist. He was, on the contrary, one whose heart had revolted at the age of seventeen at the callousness with which men treated horses, and who had sworn an adolescent's oath to resist cruelty to animals for ever. If the prospective Mayor had known this he would surely have accepted the journalist's offer to pay for the licence. Probably no provincial alderman ever secured the Press for more moderate terms. But the Mayor-to-be had the Englishman's tenacity for principle without his sagacity for compromise. Too late, he said, was as bad as never, and the dog must die; with the consequence that in next morning's paper the interview flattered

one page, and the journalist's story of seeing a man about a dog brightened another. The journalist went further, to the extent of rescuing the animal from the dog's prison at the Town Hall, and restoring it to its owner. Why the town should have made so much fuss about the dog even after it had appeared in the newspaper is not evident from experience or law. But the whole town not only talked; it barked. It howled at the meetings addressed by the ambitious councillor, yowled outside his windows, broke his heart, and alienated his wife.

The journalist was not accused of abducting the dog from lawful custody. He was accused of having stolen it, which, the defence contended, he could hardly have done, inasmuch as he had merely restored it to its owner. Being a provincial court, the bench was no match for the Press. The court did not even tell the defendant that a condition of right to own a dog was the possession of a licence. After the court had adjourned for the dog to be produced, and the vet. to be found to value it, which he did at eight marks, the journalist was not merely acquitted, with great applause and municipal rejoicing, but offered his job back by the proprietor of the newspaper. Still, as this W. T. Stead of the canine world was obviously going to be the next husband of the ambitious Burgermeister's wife, he did not score quite all along the line.

When the court was adjourned in the last act for the dog to be produced, it was as if the play had been adjourned too. But up to then the audience had feared that the play was to be one of those in which the chief character does not appear, and it gave the dog a hearty welcome which did not, however, seem to turn its head in the least. But the author has exploited the sort of suspense we suffered waiting for the dog too often, as, for instance, in the characters on the stage in the first act affecting to forget a person waiting in an ante-room. In consequence both first and last of the three acts have tedious periods in which the audience's expectation is held too long.

With a cast nearly all English, Michael Orme made an excellent job of the production, and excellent use of the Arts Theatre stage for the court and corridor setting of the last act. It says something for London actors and actresses that they can enable Mr. J. T. Grein's Cosmopolitan Theatre to present Continental work so well in the original language, and something for them also in that the prompter was required so little by the English members of the cast. Luli Hohenberg, who played the councillor's wife, is a delightfully supple, mercurial actress with a charming stage-presence, mercurial movements, and a rich voice; and Alix Grein's flower-woman both carried the audience happily to South Germany, and would have enlisted its support in the interest of her and her dog if they had never seen it. The comic officials were also well done by Leo de Pokorny and William Rose.

### The Undiscovered Country: Players.

By the end of their West End season the Swanage Repertory Theatre stand a fair chance of having made every possible mistake in the selection of plays. Good work is not so rare that repertory theatres are compelled to live mainly on the second-rate. "The Undiscovered Country" is one of those pieces in which a doctor-scientist who has nearly found out how to restore the dead to life lives on a lonely, rocky coast, apparently waiting for corpses. There are no dead apparently in London, or perhaps corpses are as difficult to obtain for revival as they were for dissection in Dickens's day. Perhaps relations would object to the dead being brought to life again. "Quick," the doctor said, as the corpse of a beautiful woman washed up by the sea was carried in, "quick!" Then they talked until bodily decay would have set in. The widower was not absolutely

sure he wanted her back, and her friend, his consoler, objected on religious grounds. But nothing can stop science, and back to life the woman's body had to come. But the soul stayed away. So this is the best of all possible worlds, after all, as Dr. Pangloss said it was, and man's will is not always best. Production is apparently a family gift with the Godfreys, and I look forward to seeing Mr. Philip Godfrey essay more flexible stuff. George Wray's Dr. Dorset was too Gerald du Maurierish, and Patrick Gover's widower too Ernest Miltonish. But I have not seen better use of the small stage than by Mr. Godfrey.

PAUL BANKS.

## Music.

### Petri: Wigmore, November 16.

This great and glorious artist never ceases to amaze, delight and enchant with the multitudinous and manifold aspects of his transcendent art. His only recital this season was far too insufficiently attended, but he is not, nor is he ever likely to be, "the thing" to do like the extensively boomed Schnabel, who naturally appeals to those half-educated, callow, arty intellectuals who feel at home with the pompous, empty pretentiousness and third-rate spiritual and intellectual shoddy to which they are accustomed in their weekly periodicals, and which this player provides so copiously for them.

The fineness, distinction, lofty serenity, breadth, power and consummate phrase drawing of Petri's playing is lost on the people who cannot see a preposition or conjunction unless it is printed in letters three feet high dazzlingly illuminated, and for whom the larger sense of the phrase and sentence is non-existent, who must have everything spelled out to them letter by letter like a child's primer, in the Schnabel manner; but when these people who are musico-intellectually at that kindergarten stage to which their idol's playing is exactly suited, treat us to the ludicrous and hysterical exhibitions of rhapsodic rhodomontade to which Mr. Windmill of the "New Politician" has accustomed a possibly wondering if not perhaps admiring audience, it is time to inform them that they are being childish and silly, and that they know as little about music as they do about the art of the piano—that, in fact, in the classic phrase, little boys should be seen and not heard.

Petri, happily for him, does not win the suffrages of those people, but among those who know he is recognised as the one and only rightful heir and successor of the greatest pianist of all time, Busoni, his immortal Master. On him, as another Busoni pupil once put it to me, the mantle of the Master has fallen. The gradations of phrase, accent and dynamic nuance in this playing, its living organic quality, its absolute homogeneity, coherence, power of seeing and making an audience see a work steadily, whole, and at once, yet with no sacrifice of this element to that, no daubing on of colour with a trowel, no heavily leaded outlines of subordinate and subsidiary detail; in a word, its exquisite and perfect proportions in every respect are some of the qualities of Petri's playing that arouse the enthusiasm and warm the hearts of the few *cognoscenti* left of really great playing; add to this a command of colour grading so consummate that it will completely individualise, for instance, three or four distinct contrapuntal strands, comparable to the use of contrasted registration on the different manuals of an organ. And the serene majestic magnificence of it in that petrifying (an involuntary pun, I assure you, dear readers) performance of the D minor Bach concerto broadcast on Sunday

evening! The like is not to be heard the world over to-day.

The structure of the recital programme was original and fascinating, a group first of transcriptions and adaptations from Scarlatti-Tausig to Mozart-Busoni, a very subtly graded step by step transition, ending with the eerie eldritch mockery of that sardonic little piece of Busoni's, Busoni's chiefly, the *Giga Bolero e Variazione*, after Mozart, in which the incredible happens only to be succeeded by the unbelievable; other faces than your own cackle at you from mirrors, and nothing human looks over your shoulder at you.

This group was followed by a superb performance of the *Les Adieux* Sonata of Beethoven, a work I usually very much dislike, but which Petri really revealed to me for the first time. Then a group of familiar Brahms, played with a wonderfully appropriate sombre colouring and masterful didacticism of style, completely unpedantic, however, with a really breath-taking paring down of the phrase and tone at the end of the G minor Rhapsody. Finally an astonishing and glorious performance of the B minor Sonata of Chopin, a work literally peppered with man-traps of glucose sentiment for the unwary and the slop purveyors. Was it possible, one kept asking oneself, that this passionate, noble, exalted lyrical music, with its strong, pure emotion, could be the revolting morass of sickly epicene hysteria that is usually presented to us, that that terrible *Largo*, first cousin to the *Maiden's Prayer*, should be so ennobled and purified that it became genuinely moving? But what description can do justice to such Art as this, Art raised to such heights that it becomes alchemical?

### Galli Curci: Albert Hall, November 17.

By the courtesy and kindness of a freehold-seat holder I was able to hear this singer again after some years. The faulty methods of production of which I spoke six years ago have had their result and it is a dire one. The voice has all but lost its top notes, which are now uncertain, veiled, and shakily taken, besides showing a pronounced tendency to wobble, and the undoubted facility in *fiortura* of earlier days, although very far from the consummate mastery and brilliance of Melba, Tetrassini, or dal Monte, even at its best, has all but gone; indeed the decline was startling and shocking when the singer came to the one genuinely searching test in this field, the delicious *Ombra leggiera* from *Dinorah*, in which the runs and *cadense* were mere slithered-over apologies, and the shakes an exhibition that would have been lamentable from a notion that would have been singers, even after their body. In the really great singers, even after their palmy days are long past, there are always *de beaux vestes*, a beautiful and polished style, a consummate technical mastery, fine and interesting musicianship, but Mme. Galli Curci, never having had any of these, and but an ordinary voice, has, now the voice has deteriorated so conspicuously, little, if anything, to hold the attention or interest. Her steady vocal decline is all the more terrible and startling in that she is still a comparatively young woman, at an age when she should be approaching the full *efflorescence* of her powers; and it is one more awful warning, one more terrible example, of the swift and ruthless Nemesis following on faulty methods.

KAIKHOSRU SORABJI.

"If Mr. Lang is right, all other responsible Labour leaders are wrong. Intelligent workers, whatever their views on questions that ordinarily divide political parties, will appreciate the absurdity of such a proposition, and will declare for safety and sanity. No development could do more to silence Australia's slanderers and to promote confidence at home and abroad than the emphatic rejection of Mr. Lang and all that in this crisis he stands for."—The Melbourne Age, October 13, during the progress of the New South Wales election.

## The Films.

### The Mystery of Life: Alhambra.

Under the name of "Cosmos" this German effort to depict the story of evolution on the screen was for a long time banned by our Censorship. Then various Manchester newspapers, and, I believe, the Chief Constable of that city, pronounced it to be innocuous, and the Censor concluded that it might safely be shown to adults, a word meaning persons above the age, or apparently above the age, of sixteen, unless they are in the company of other adults, in which event everything is all right, slightly to vary the favourite phrase of the American scenario carpenter.

I have not seen "Cosmos" in its original form, and it is a little difficult to give a fair criticism of a film which appears to have been badly mangled by the Mandarins of Wardour Street. As now presented, the picture is not too well edited, but it is impossible to say how much of this characteristic is due to the curious Puritanism of a Censorship which tolerates completely unnecessary and often vulgar undressing and bathing scenes in salacious American films, but is as fearful of the honest exposure of the naked human body as a mediaeval monk of Mount Athos. If I am less enthusiastic about this production than I expected to be, it is probably because English audiences are not permitted to see the film as it was intended to be shown. But please do not go away with the idea that it is not extremely worth seeing. In the glimpses which it affords of the development of the human embryo, the process of adaptation to environment which has caused the degeneration of the proteus, the habits of the jelly-fish, and the breeding methods of the sea urchin, it must give the least imaginative a conception of how excitingly educative the screen might easily become, but is so very far from becoming.

### Elstree Abandons the Film.

Elstree appears to have given up making films. Not that the studios there and at Welwyn, Wembley, Shepherd's Bush and Islington are not more actively engaged in production than at any previous period in their history. But they are not making films—only photo plays. And not very good photo plays for the greater part.

I have just been looking through the production schedule of our largest producing concern, British International, which has to its recent credit such landmarks as "Atlantic," "Murder," and "Two Worlds." Almost the whole programme is made up of stage plays, and if the business of British International were that of running a repertory theatre, the list, which includes Shaw, Galsworthy, Frank Harvey, Edgar Middleton, Miles Malleon, and Arnold Ridley, would be representative enough. But on the basis of experience to date it seems fairly safe to predict that such cinematic possibilities as these plays contain, and some of them contain precious little, will almost entirely disappear on the screen. We shall have a series of more or less still-life photographs illustrating the sparkling dialogue of "How He Lied to Her Husband," and a well-photographed copy of "The Skin Game." This sort of thing belongs no more to the cinema than does the fifth book of Euclid.

But it is at least good theatre, which is more than one can say of the "Tharks" and the "Rookery Nooks" and the "Plunders" and the other machine-made farces of their kind. And it is precisely on this type of production that another of our principal concerns, British and Dominions, is concentrating. Better the dignified failure of "The Loves of Robert Burns" than a spate of these hybrids, which are entirely non-kinematic, and are not even redeemed by good dialogue. I do not anticipate any improvement in this direction, since

Tom Walls, the principal purveyor of Aldwych farce, recently set it on record that "on the whole a story that tells itself well on the stage will tell itself well in much the same terms on the screen." This dictum, which Mr. Walls amplified by the assertion that "the tried situations could hardly be improved upon," damningly proves that whatever be the *métier* of Mr. Walls, the film is most certainly not.

If our producers are so timid, so unimaginative, so old-fashioned, in their choice of scenarios, they can at least plead, for what it is worth, that they are only following the example of Hollywood. But that does not excuse the methods adopted by British film makers in selecting directors and players. It does not excuse the choice as directors of theatrical producers who can make a reasonably competent job of an ordinary commercial play, but who have never realised, and apparently never will realise, the difference between the technique of the stage and the screen. It does not excuse the constantly growing reliance on stage actors and actresses who at best just do not know how to act for the films and at worst exaggerate all the most infuriating theatrical mannerisms that have been invented since the seventeenth century. Nor does it excuse a system under which such an actress as Adrienne Allen, who made "Loose Ends" and played everyone else in that film off the screen, was only given another film engagement after the critics had prodded the producers; a system under which Dorothy Seacombe, who has been starred by both British International and British and Dominions, is sunk without trace, while, on the other hand, such talented actresses as Madeleine Carroll and Norah Baring are exploited without the slightest regard to the type of role for which they are best suited.

The talkies gave English film producers their chance, which they were, as usual, slow enough to realise. Then our studios made a few films of high artistic and entertainment level. Now, look at their programmes. It is not, as I have remarked before, my business to teach Elstree its business, but if my job were the provision of public entertainment it would probably occur to me that the perversion of the screen as a vehicle for amusing dialogue and banal farce might easily send the patrons of picture houses to watch real actors and actresses playing in real theatres.

DAVID OCKHAM.

## Reply to Sir Otto Niemeyer.

By W. M. Hughes.

(Ex-Premier of the Australian Commonwealth.)

IV.

Sir Otto tells us to produce a greater quantity of goods to counterbalance the fall in the prices of those goods. This advice rests upon a fallacy—to produce goods is not to create wealth. Value is not inherent in goods, but arises from demand. Demand alone creates values—if there is no demand, goods have no value; if the supply exceeds the demand for any class of goods, the value of the whole of the goods—including those for which there is a demand—is depressed to that level below which sellers decline to part with them.

Depression in trade and unemployment are caused by exhaustion of consumption power. For example, British trade has fallen off, her industries are languishing; the people of Britain have less money to spend; their demand for our staple products falls off; prices drop; our income falls proportionately and our consumption power is weakened—we buy less from us—or pays us lower prices—Britain, she buys less from us—in turn buy less from her—our income is reduced, and we in turn buy less from her. And so it goes on in a vicious circle which embraces the whole world. The remedy is not to reduce wages in Britain, or in Australia, or in any other country; for it is evident that, since a reduction in consuming power of one country reacts upon all, the new level of living of the whole world must continue to decline and the workers sink

into a state of economic serfdom in pitiable subjection to the great Financial Interests who are able to control prices. The higher the standard of living, the greater the demand for goods and the demand for labour to produce those goods. The goal we must aim at is a higher, and not a lower, standard of living.

### The Way Back to Prosperity.

Reduction in governmental expenditure, no doubt, is necessary, but it is in no way a solution of our problems, which, as I have pointed out, are essentially economic, expressing themselves in trade depression and unemployment. To dismiss public servants or to reduce their wages will help to make our national budgets balance, but it will leave depression and unemployment as they were. Somehow we must set idle hands to work producing wealth. Industry, now half paralysed by fear, must pluck up courage. The flood of imports has been checked; if the people of Australia will only have confidence in themselves and the future of their country, employment for tens of thousands can be found in producing the goods the community wants. The trouble is that we have swung from one extreme to another; we spent too much, and now we spend too little. Men live by supplying each other's wants; if these wants shrink to less, the whole community would be unemployed.

In the lives of nations, as of individuals, there are periods of storm and stress which test their characters. The Australian people are now called upon to show the mettle of their pasture, to prove themselves worthy of their great inheritance, and of their ancestry. There are difficulties to be faced, but these can be surmounted if we have but courage and common sense, confidence in ourselves, and faith in the future of Australia. Half our troubles will disappear if we go boldly forward. The Australian people have been scared by shadows, they fear they know not what. Because wool prices have fallen and our credits in London are exhausted, the end of the world has not come. We are still the same people who produced £453,000,000 in 1928 and 447 millions in 1929. Men go about gloomy and almost panic stricken, as though some dreadful calamity had overtaken us. We must face facts, but let us not mistake shadow for substance and fall victims to our own fears. People talk as if our boasted wealth had taken wings and left us derelict and naked to the winds of adversity. But the Commonwealth Statistician tells us that his estimate of the value of our production for the past year (which ended on June 30th) is £411,000,000. So that all that has happened to us is that our national income has dropped £52,000,000 below that of 1928 and £36,000,000 below that of 1929—a per capita fall of less than £6. This is the reality, and all the rest—trade depression, unemployment, collapse of share values—are a devil's brood hatched by our fears, fanned by propaganda. Even with the drop in our national income, we are still amongst the richest nations in the world. The outlook for the future is full of promise. There is good reason to believe that payable oil will be struck before very long, and, any way, we are going to have the greatest wheat crop ever known; our wool clip will be one of the best. We have an abundance of food and of all the necessities of life, and we have a resourceful and energetic people. If world prices for our exportable surplus—which, after all, is only a little more than one-fifth of our produce—fall, we must meet the situation as best we may by guarantees of pools. But why should we anticipate a further fall in prices? The trouble is world-wide, and, despite those who talk about a reduction in wages, no country in the world can produce wool and wheat at a lower cost than Australia. Let us have faith and courage; let us be true to ourselves and to Australia and its ideals, ignoring the advice of the repudiationists of the one hand and that of Sir Otto on the other, act up to our motto of "Advance Australia," and all will be well.

(Concluded.)

## LETTERS TO THE EDITOR.

### SIMPLIFIED SPELLING.

Sir,—Well, why not? And what is wrong with the arguments that it would save a child a year in learning to spell? (I should say at least three years over spelling and more than a year in reading); and would increase the rate at which English is becoming the chief international language? Are German or Italian or Spanish any the worse languages for having fairly phonetic spellings? Is English any the worse for having got rid of most of the grammar which impedes French, German, Russian, etc.? Has it been the worse for the world that the internationalisation of Latin has resulted in French, Italian, Spanish, each with a good literature? English spelling merely operates as a fetter on the minds

of the majority of people, and I will assert that most active opposition to spelling reform comes from the unconscious desire to inflict on the young and helpless the pains endured by oneself. Intelligent children, who do not happen to have a "gift" for spelling, tend to do the sensible thing and spell phonetically—English speech is too full of diphthongs and the like to be represented in precise phonetic symbols.

The Elizabethans spelt very loosely, varying their own names even in the same letter. I don't know that they were any the worse for it. Their literature wasn't.

To use economic terms, the conventional spelling of English is sabotage. It is a grand means of wasting effort, paper, ink, of providing employment for hordes of teachers, examiners, etc. I would like to condemn people who like it to a year's teaching of it to dullards without pay.

H. COUSENS.

[If you cut a year or two years off the time taken by a child to learn to spell English, what is the object?—to teach the child out to work that much earlier? or to turn it additional subjects? or is it to economise on teachers? or to lighten their trouble? And supposing you get all the world speaking and writing English—what is the idea? We can see the answers for ourselves if we postulate (a) that the benefit of phonetic spelling is to be measured solely on the economic plane of life, and (b) that the existing financial system is here to stay. In that case the new spelling would probably make England a more effective order-grabber in other countries' markets. Economic existence comes before aesthetic fastidiousness; so certainly let us mutilate our language if the only alternative is mutilation of our lives. But that is not the only alternative. We foresee and are planning to bring in the Leisure State. Given that State, we see no reason for hurrying the process of learning, and no reason for reducing distinctive expressions of culture to a common denominator. To do either at present will only be to play into the hands of centralisers and internationalisers.—ED.]

### "ON CLEANING ONE'S OWN BOOTS."

Sir,—F. Le Gros Clark's article has called forth such varying opinions I am tempted to add mine. Having done most of my own work most of my life I can well understand the view of those who feel personal service is a necessity. Also as one who has propagated for Social Credit since 1923 I can cordially agree with the statement that the only people interested are "among those simple members of the Labour Party who are now anxiously looking for fresh guidance," and that "To trouble with the rest of the public is mere waste of time."

My fairly long connection with working-class and other lower middle-class folks leads me to believe that service of a most personal and valuable kind is available when "rightly assessed" by the persons served. I have an idea that when more folks "have cleaned their own boots" for a given number of months they will have acquired a respect for, and understanding of what that kind of service stands for, that will enable them to obtain and retain it when necessary.

In this regard why can we not have house-men instead of maids? They are very nice where one contacts them abroad, and I believe the chief argument against it is the insane extra taxation. Many unemployed lads could and would do housework if employers could afford them.

(Miss) M. B. DE CASTRO.

Sir,—Mr. Le Gros Clark's article is surely most timely. A hoary old gibe at Social Credit, which yet constantly crops up, is that the new economy will involve giving the community "something for nothing." This lop-sided criticism is clearly due to a mere hasty glance at but one side of the Social Credit "medal."

The refusal of physical subsistence to healthy adults who neglected to share in its production was entirely fitting in the long ages of scarcity. To-day, in sharp contrast, real wealth "goes a-begging," and Douglas shows how to provide economic security for every individual, with but a minimum of volunteers working in industry.

And here is the important point to be noted by those who fear some loss of personal services which they now enjoy. Just as soon as the hour of Social Credit strikes, there will commence an era in which those who desire personal service from their fellows—a far higher thing than a loaf of bread—will have to earn it. So it will follow that "He that doth not comport himself in harmony with the aspirations of his fellows (shall eat, but) shall enjoy but a bare minimum of personal service." The renascence of chivalry may then be looked for, at long last!

ERNEST A. DOWSON.

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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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