

THE NEW AGE

INCORPORATING "CREDIT POWER."

A WEEKLY REVIEW OF POLITICS, LITERATURE AND ART

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NOTES OF THE WEEK.

The *Drapers' Record* is publishing correspondence under the slogan "Buy Now and Buy Ahead." Prominent textile buyers are referred to as having set the example, and others are invited to follow it. One argument is that prices have touched bottom and that there is no risk in making forward purchases. But supposing this to be a fact; it is no guarantee that buyers can sell more to the public. On the contrary, the very cheapness of wholesale prices is a reflection of the fact that the money in shoppers' purses has touched bottom. Suppose a retailer gets in a lot of goods at the bottom prices; and suppose that manufacturers' prices subsequently rise. What use is that to the retailer? It does not put a penny more into his customers' pockets. He may write up the value of his stock, and even the price of it, but writing figures in a book does not bring money in. His problem is that of unloading his stock by the time he is due to pay the manufacturer for it. And suppose that under the influence of this "Buy-Now" drive every buyer commits himself to larger purchases, there is a real danger that when the time to pay comes along these buyers themselves will drive prices down in competition with each other to get in the money. Retail prices may drop below the present "bottom" wholesale prices. Who can tell? Such things have been known. It is all right for a wealthy buyer here and there to "be a sport" and help the manufacturer with larger orders, but it is asking for trouble to invite all buyers indiscriminately to do the same thing at the same time. The only certain result of their doing so would be that they would have underwritten the manufacturers' liabilities and warehoused the manufacturers' surplus stocks rent-free into the bargain! And considering that most business liabilities—certainly the most urgent ones—are debts owed to banks, the "Buy-Now" stunt enables the banks to safeguard themselves respecting their loans to manufacturers by inducing retailers to assume the responsibility of paying them. For your banker always sleeps more soundly o' nights when a hundred little fellows

owe him £10 each than when one big fellow owes him £1,000.

On December 11 or 12 Mr. Harold Nicolson gave a talk on the wireless about the political situation. He started by commenting on the policy of the B.B.C. of excluding all discussion on controversial subjects, particularly Party Politics. He then sketched, very briefly, the coming of some catastrophic climax which would entail sacrifices by all sections of the community, and finally waxed almost enthusiastic about Sir Oswald Mosley's manifesto. We said at the time of the publication of this manifesto that there was nothing in it. That is to say, considered as a technical proposal, it marks no departure from traditional financial policy. It is only of interest as a political manoeuvre. From this point of view one may regard it as the modern version of the old trick of diverting the people with a circus. Instead of five big elephants we have Mosley's five big Councillors (one for each of the Big Five Banks). Since the B.B.C. has allowed the Mosley Proposals to be broadcast it has thereby certified them politically non-controversial in a Party sense. The Council of Five, therefore, would be non-party, or all-party, or better still, super-party—thus being arbiters of political policy in the same sense as the bankers are arbiters of financial policy. The Council would be the political annexe of the Court of the Bank of England. It is of course not yet certain that the underlying reason for the present publicity is an intention to secure the actual adoption of Mosley's policy. We rather fancy that the idea has been set going with the intention of forestalling the forthcoming Report of the Macmillan Committee, and, if necessary, of counteracting the effect which that Report might produce were the public to consider it free from distraction. Mosley's challenge to Snowden is all very well, but one of its results must be to weaken the authority of the Macmillan Committee which Snowden appointed; and another has undoubtedly been to undermine the power of the Labour Government and bring it measurably nearer its end. If the Government were to fall the new Administration would not be

under an obligation even to consider, let alone act upon, any recommendations which the Macmillan Committee might make. And if that new Administration had been formed on the Mosley model, there would be no power of putting pressure on it in this direction. Moreover, the Big Five Ministers could plausibly point out that they had undertaken a Big Business Policy involving much wider considerations than those pertaining "merely to banking and credit"! Much the same sort of thing could be said even if the Mosley proposals were still in the discussion-stage. However, we shall have to wait until the preliminary Report is issued—and when that happens we may find that it is limited to a review of the bankers' evidence, for there have been several suggestions in the Press that the publication of this part of the enquiry is more "urgent" (!) than the rest.

In the *Evening News* (Sydney) of October 23, two days before the New South Wales Election, there was a prominent article on the leader page spread over three columns and containing a large photograph of Sir Otto Niemeyer. The title of the article was "Two Patriots"; and the sub-title, "Biblical Parallel of Nehemiah of Old With Modern Niemeyer." The author, who called himself "Ezra," discussed the parallel in support of his central thesis that Sir Otto would turn out to be the saviour of Australia. Here is one of his opening paragraphs:

"There seems little doubt that, at bottom, Sir Otto Niemeyer's name not only resembles in sound, but actually traces back to the same derivation as, that of the old Hebrew patriot, Nehemiah, the story of whose work of rebuilding and restoration is one of the great things of the Old Testament."

The author proceeded to outline the story of Nehemiah's mission to Jerusalem and his inspiration and direction of the task of rebuilding its fallen walls.

"The amazing thing," he exclaimed, "is the extraordinary similarity in the mission of the two Nehemiahs—the one an important officer in the Kingdom of Artaxerxes, King of Persia; and the other an important citizen in the capital city of the King of England."

After pointing out how the people of Judea, according to the Old Testament account, had "mortgaged our land, vineyards and houses, that we might buy corn because of the dearth" and so on, he reached the pinnacle of his enthusiasm in this outburst:—

"the astonishing coincidence that two patriots of the same name, separated by twenty-four centuries of time, should be engaged in the strikingly similar task of rebuilding the walls and reinforcing the morale of the people of two widely-separated countries in a period of unexampled financial crisis."

It seems a pity to spoil this beautiful effort, so we will let it speak for itself except for the comment that if the author reprints it he might strengthen its power of conviction by deleting one little passage where he states that the trouble of the children of Judea was caused by the "money-lenders of that day," who, "fearing for their security, were pressing for their money until depression prevailed throughout the country, and the dispirited citizens had no heart to fight against it." As it stands it might lead irreverent critics to ask who held the mortgage on the new Jerusalem; and it might encourage Mr. Lang to put in a much stronger claim than Niemeyer be hailed as Nehemiah II.—for at least he is leading a frontal attack on the money-lenders.

The Sun (Sydney) a day or two before the New South Wales election published a leading article on "The Illusion of the Standard of Living." It was a refreshing item in the controversy because it did attempt to discredit Mr. Lang's programme by economic reasoning. Mr. Lang had declared that

the Melbourne Agreement to cut wages and costs implied the destruction of everything that Labour had fought for forty years to build up—its standard of life. But what is this standard? asks the writer. It is not measured alone by the amount of wages, he proceeds, but also by the amount of goods which he proceeds to buy. Prices, as well as incomes, are the test of whether the standard of life is rising or falling. And if, he continues, the proposed economies result in a reduction of costs (and prices) equivalent to the reduction in wages and other incomes, the standard of life will remain what it is; and all that will happen will be that the turn-over in the consumption market is conducted with a less volume of money. At least, that is so far as the workers' standard of life is concerned. The writer has the honesty to face one of the implications of this analysis, for he recognises that a general shrinkage of prices must involve a shrinkage of past savings—which is virtually saying that Labour's wage-losses are to be compensated by an equivalent confiscation of wealth in other directions. This, of course, is compatible with the writer's main proposition that Labour's standard of life would remain unaffected, and that Mr. Lang was raising an unnecessary scare.

Is it not a sad fate that when a participant in a political controversy makes a straightforward effort to unravel the economic tangle he inevitably finds himself in trouble with his own Party? This writer, in supplying reasons why the workers should not trust Mr. Lang, is supplying equally cogent reasons why the richer sections of the community should not trust Mr. Bavin. He is virtually announcing that Niemeyerism will stabilise Labour's purchasing power at the expense of Capital. No wonder that Mr. W. M. Hughes, speaking on the result of the election, declared that Mr. Bavin's defeat was due to the mistrust of his policy by his own followers.

The argument that reductions in incomes benefit the State without sacrificing the consumers' standard of life is bound to raise the question:—Why not go the whole hog, and, instead of knocking off a paltry ten, fifteen or twenty per cent., knock off, say, ninety or ninety-five per cent.? Indeed the writer almost explicitly invites such a question, for in one place he points to the low wage-rates prevailing a few generations ago and asserts that wage-earners were no worse off for them because their money went further. He is putting over a corollary of the deflationists' doctrine that the more money there is about the less it will buy—arguing that the less money there used to be about the more it used to buy. If this is true there seems to be no reason why income-week to penny-per-week should not be scaled down from pounds-per-week to pence-per-week. It is true that he has referred to the ultimate fiscal effect of such reductions on savings, but one must suppose him to have in mind some ultimate compensatory advantage to "the State" or to somebody or other—otherwise his advocacy of the Niemeyer policy is unintelligible. Unless he is consciously attempting to deceive the public he must be presumed to believe that losses of savings as well as losses of incomes will produce a balance of profit to the community in the long run. Whatever the process by which he thinks this will happen (for he does not describe it or even hint what it is) there is *prima facie* support for the proposition that the more drastic the initial reductions of incomes the more quickly the process will work and the more profitable its ultimate results will be. If there is a law which automatically confers on a halved income a double purchasing-power it ought to confer a tenfold purchasing-power on an income divided by ten, and so on down to any figure you like so long as it is above

zero—where of course the possibility of measuring purchasing-power at all disappears.

If there be such a law let us hear all about it as soon as possible. In the meantime the public will be well advised to act on the hypothesis that the law has no existence. There is, however, a law which tends to increase the purchasing-power of the monetary units when there are fewer of them about, but it is not a financial law, it is an anti-financial law—that is to say it is a law of nature. Under that law, even the most docile community of people have got to have a certain irreducible minimum of goods and services. This minimum can be called the freezing-point of their life-standard. Keep them above it, by ever so little, and they remain fluid and tractable. But depress them below it, by ever so little, and they become a solid mass of subversion and disruption, bursting all the pipes of the economic system. Then is the political zero hour, when the bottom dog goes over the top. And when that happens the financial system of tickets and ticket-punching gives way to the military system of noses and nose-punching. Our financiers and statesmen are well aware of this; and they know that although it is easily in their power initially to meet violence with greater violence, it is entirely out of their power to foresee the ultimate consequences of their doing so. That is why they invented the dole: it is a niggardly little lamp with a mean little flame fluttering up there in the roof of the economic household, but it is enough to protect the huge tank of Labour from the frost of deflation. They have a pretty sound notion that the next time they have a burst, the plumbers who come to their rescue will not be content to carry out orthodox repairs, but will insist on a thorough overhaul of the whole system on the Social Credit principle.

With this situation as a background it is easy to see why a wage of any dimensions at any time represents a purchasing-power sufficient to support a minimum standard of life. The law of survival checks the law of finance. Money goes further when there is less of it, not because of any inherent law of finance, and certainly not because this is the policy of the money-monopolists, but simply and solely because the money has jolly well got to be made to go further in the circumstances just reviewed. It is within the bankers' power, which they exercise, to fix a definite rate of physical consumption for the community and to maintain that rate irrespective of whether there is less money or more money in circulation. When the volume of money increases they bring about an equivalent rise in consumption-prices: when it decreases they bring about an equivalent fall. How they do it is another story; but the fact remains that they do it and that they can help doing it. "Inflation" and "deflation" are not laws of price dictated by the volume of credit, they are instruments used by the controllers and manipulators of credit to regulate the temperature of collective consumption at a spot above thirty-two degrees Fahrenheit. Gluts of wheat, sugar, fruit, fish, cotton, wool, rubber and other things may lie all round us in brightly incandescent piles, but it makes no difference: everybody still has to stamp to keep alive, and to watch his own breath to make sure he is alive.

Prices, under modern methods of production, exhibit a progressive decrease in the proportion of Wage-Salary-Dividend costs, and a corresponding increase in that of materials-overheads costs. If you take an article priced at £100, of which the W.S.D. cost is £10, and you knock 10 per cent. off or add 10 per cent. to that cost, the result is a reduction or an increase of £1 to the price—1 per cent. either way. In the first case you will have

W.S.D. costs appearing in the market to the amount of £9 against a price of £99, and in the second, £11 against a price of £101. And for every further 10 per cent. subtraction from or addition to W.S.D. costs, the price will go down or up by £1—i.e., by the same actual sum as personal incomes rise or fall. So a 50-per-cent. alteration would result either in a price of £105 to be met by incomes amounting to £15, or else £95 by incomes amounting to £5. Now the reasoning of the writer under discussion, when he suggests that lower incomes do not necessarily mean less purchasing-power, seems to be based on the fact that (taking the above figures as an illustration) the gap between prices and incomes remains constant at exactly £90 whatever decreases in W.S.D. costs (incomes) take place; and that, since the gap is not widened, the purchasing-power of the reduced incomes is not lessened. The community will be just as well off, he insinuates, with £5 when production-price is £95, as it is with £10 when production-price is £100, or (though he avoids mentioning it) as it would be with £15 when production-price is £105. He appears not to consider it relevant to take account of the fact that while the £5, or £10, or £15 will all be £90 behind the respective production-prices, their respective ratios to these production-prices are lower as you go down and higher as you go up. The £10 is one-tenth of the £100. But the £5 is only one-nineteenth of the £95; while the £15, on the other hand, is as high as one-seventh of £105. Leaving aside the Social-Credit argument that £10 will not buy £100 worth of goods, and assuming that in some way or other it manages to multiply itself ten times in terms of purchasing-power, we should still require to have a clear explanation how a progressive decrease from £10 to £5 will cause a progressive increase in the purchasing-power of the pound from ten times to nineteen times.

Such an explanation is the more urgently demanded because the writer's assumption that this will happen leads him to conclusions which are incompatible with Sir Otto Niemeyer's reasons for imposing economies on Australia. Sir Otto has insisted repeatedly that Australians have been living "beyond their means" enjoying a "standard of living" which has been "uneconomic"—a standard much higher than their circumstances warranted. The only interpretation which we can place on these statements is that the people of Australia, in Sir Otto's view, have been consuming too many things, and that they must now consume fewer. If this was not Sir Otto's view, why did he not say so, and save all the bother? For while it is true enough that people object to having less money to handle than they have been accustomed to, their objection would be removed if and when they found that they could buy as much as they did before. Why were they not given an assurance that this would happen? Why did Sir Otto not tell them: "You shall have as many things as before: all I want is for you to use a less number of paper notes to get them with"?

We can develop an answer as follows. Sir Otto's recommendations involve a policy of taxation. All reductions in wages, salaries and profits amount in the end to a Government levy on incomes. Now we know, from recorded statements in the London Press, that banking authorities have criticised the heavy weight of British taxation. Their reason has been explicitly given, namely, that taxation impedes the accumulation of reserves by business enterprises. This view-point must of course be attributed to Sir Otto Niemeyer as a leading representative of banking opinion. Why then, it may be asked, does he recommend heavy taxation in Australia? The reason is that he represents financial interests which are not

primarily concerned with Australian business enterprises or, for that matter, with those of any other country. They have no interest in what happens with regard to the reserves of say, an Australian wheat-grower, sheep-breeder or manufacturer. Their concern is to promote the accumulation of reserves by such enterprises and institutions as are key-instruments of their international policy, and which, for that reason, they support in the largest measure by their loans and investments. These undertakings may be anywhere in the world, and probably there is no country in which there are not one or more of them. Their general nature can be indicated by reference to the remark which Mr. Rudyard Kipling puts into the mouth of one of his characters, to this effect—*Power lies in the control of communications.* Look at some examples:

Cables, telegraphs, wireless, aircraft, ships, railways, motors, electrical power and light, gas, water, etc., together with political or quasi-political undertakings, like the post, telephones, Customs, etc., and, of course, the banks' closest associates, the insurance institutions.

In all of these lies the *power of interception*, the power to connect or disconnect the prime producer from the ultimate consumer, and therefore to dictate the conditions on which production and consumption shall take place. It is the more potent a power because it is so well concealed. Observe that the producer is not directly forbidden to choose what he shall make, nor how much of it; nor is the consumer forbidden to spend his shopping-money where he likes and on what he likes. But all too frequently some intangible thing called "circumstance"—some sort of economic atmospherics—puts these two parties out of touch or renders them unintelligible to each other, with the result that, to use the expression as an illustration, a glut cannot get through to a scarcity. And so, from constant experience, these people come to observe that "reception is bad" for certain topics and objects of communication, and they change their messages in the belief that the difficulty lies in themselves, or in the nature of things, being utterly unconscious of the fact that the interruptions are deliberately contrived to direct their actions according to a pre-determined policy.

With a little imagination everyone can see how important to the bankers is the upkeep of undertakings which enable them to make everything they want done appear to be the only thing that can be done. Accordingly it is not inconsistent of them to criticise Government taxation here and advocate it there. It is all a question of diverting the flow of reserve funds from one place to another—from one purpose to another. The bankers' procedure is based on their policy—"Control without ownership." As every student of Social Credit is aware, the bankers possess the technical means of purchasing and openly administering all the mechanisms of interception we have mentioned. Only political discretion prevents their doing so. They make these the collective security for international loans, which are reflected in bonds. The bonds are bought by people and firms not ostensibly connected with the banks, and these people are held out as the "investing public" whose "capital" is being "risked." Sometimes the borrowing country pledges definite tangible securities; sometimes it only pledges the "good faith" of the Government. But in reality the two pledges are the same. For example, in the case of Bolivia, the American financiers not only got the Bolivian railways and customs (and other assets) assigned to the bond-holders, but appointed their own nominees to administer the assets during the term of the loan on behalf of the bond-holders so as to make sure of their interest and sinking-fund charges before any-

body in Bolivia got a share of the revenues collected. This procedure was not adopted in the case of Australian borrowings, but the same kind of assets were attached by implication: the lending of the money was a gesture of confidence that Australian Ministers would if necessary exploit the power of Australian mechanisms of interception to screw money out of the people. Thus money has inevitably been drained away from undertakings which offer service to the public at whatever price they can get—undertakings which the bankers leave to be financed by the small fry of the investing classes—and has flowed into those which can dictate the price of their service (when any)—undertakings the investors in which are a small protected class. Similarly on the international plane, the drain is from areas which can turn most energy into food for consumption to areas which can turn most energy into engines of coercion. The whole world of useful enterprise is being taxed in order to buttress the market-price of a selected class of securities. This is not because the banker cares much whether money is lost by a fall in price, but because it is essential to the maintenance of the investment habit that there should be a group of "safe" securities which can be exhibited as evidence that investment can be a safe game to those who know how to go about it. The group need not contain the same list of securities at all times, but there must always be a group of large enough dimensions to suggest the essential stability of the investment market as a whole. In finance, as in racing, certain stocks can be made "favourite," and by two methods as in racing—tipping them to win and offering low odds. The tip itself attracts a certain type of investor, and the low return attracts another. The Trustee Acts were tipsters' lists published by the political Government on the advice of the bankers. And the stocks enumerated in the lists had been priced by the bankers' advice and supported by bankers' own investments in them, and, more important, bankers' loans to investors for the purpose of buying them. It used to be a frequent trick (and perhaps still is) for a bookmaker on a racecourse to hand, say, £100 to a confederate in private and arrange for him to come up presently and make a bet of that amount on some horse in the hearing of the surrounding on-lookers. This false bet naturally brought in a good number of real bets on the same horse from people who argued that this confident backer must "know something." He *did* that!—but not *that*!

This is almost exactly how the Australian Conversion Loan has been floated so successfully. It was announced that all the money was in on the closing day. Quite so: it included the confederate's stake! Then the announcement (in *The Times*) went on to say that the lists would remain open a little longer. Quite so again: the bookmaker was waiting to see how much more money the decoy-figures would fetch in. *The Times*'s comments are really amusing. They show us a picture of the blustering Caucus, and standing up like a man to the prestige of his risking his reputation and the prestige of his Government on the success of the loan—as if it is not a foregone conclusion that Niemeyer and Gibson had advised him to float the loan, in which case the whole £28,000,000 was already virtually subscribed before the public were appealed to. "It would have been disastrous," says *The Times*, if the loan had not succeeded. Yes, and by that token alone it was not going to be allowed to fail. It was worth several times the amount to avoid a crisis which people like Mr. Anstey, Mr. Theodore, and Mr. Lang could have exploited in support of the Caucus's policy of suspending the conversion for twelve months. In its way this situation was more serious for the bankers' interests than that during the war when they

secretly lent hundreds of millions to people on condition that they subscribed them to the war loans. What banks did then they have had as good reason to do this month, and exactly the same power to do without detection. It might be a good thing for the Caucus to demand a scrutiny of the Register. It would not be conceded, but that does not so much matter. The point of the idea is that the Caucus should "register suspicion," as the fairies say in film-land. The bankers of course would protest about the time-honoured principle of "confidence between the banker and his client"—although this would obviously increase rather than decrease the suspicion that the two of them were confederates in a confidence trick at the expense of the public. However, the point is not practically of much consequence in the present case because the operation required virtually no money; it was merely one of printing new bonds and exchanging them for old with the same group of holders. At the same time it will be well to remember that the trick can be played whenever necessary; and the more the Australian public are told the how and why of it the better.

Reverting to the token figures which we were using just now these illustrate how the policy of enforcing economies increases the banks' power of control. Under extreme deflation, where total incomes are expressed as £5 and total price of production as £95, the margin of £90 is eighteen times the incomes. Under extreme inflation where the corresponding figures are £15 and £105 respectively, the margin of £90 is only six times the incomes. These margins are a measure of unconsumed production—production which comes under the control of the banks by reason of the fact that the people who invest in it part with financial credit (which gives control) and receive shares—titles of ownership (which do not). The result is that as between the two situations the grip of the bankers on the economic life of the people is, on the figures, three times as tight under deflation as under inflation. This conclusion, it must be remembered, proceeds, not from our own premise, but from that of the writer of the article we have been discussing, which was that whatever is knocked off incomes is knocked off prices.

Financial credits have been well described as Rights of Action. Directly investors buy securities they renounce rights of action. These become reserved rights of action in the bankers' hands. And since the financial credit embodying these rights is destroyed by the bankers as they collect it in loan-repayments, the rights are not only reserved but concealed. This concealment is the cause of the illusion that there is a natural scarcity of credit. The truth is that at any moment there is as much credit that can be made available to the community as is necessary to finance its physical powers of production. Powers of action are of necessity Rights of action—the Power is the basis and measure of the Right. Hence the Social Credit principle that Real Credit is the true basis and measure of Financial Credit.

UNEMPLOYMENT IN AMERICA.

An article in *The Times* last week reported an interesting feature of the unemployment crisis in the United States. One local authority put relief work in hand, and decided not to use machines on the job, but to let it be carried out by manual labour. We like the fanciful picture of unemployed pneumatic road-drills and mechanical mortar-mixers lounging on the pavement and inspecting curiously the very latest thing in scientific invention—picks, shovels, and muscles—at work in the roadway. They could flatter themselves after the manner of Falstaff, that whereas they were not doing any work themselves they were the cause that work was being performed by human beings. What marvellous strides we are making under the direction of the bankers! What is wanted now is for all machines to be fitted with dole-drawing and dinner-eating mechanisms.

The Films.

Sous Les Toits de Paris: Alhambra.

After months of Hollywood banalities and machine-made photo-plays from Elstree, here is a really great film. "Sous Les Toits de Paris" is more than the greatest film of the year; it will inevitably take rank as a classic, and I would place it among the half-dozen best films I have seen, and as the greatest picture made since "En Rade," also a French production. Hitherto, it has been possible to regard René Clair, whose methods are comparable with those of Chaplin, as a director of unusual talent; in this picture he definitely crosses the frontier which divides talent from genius.

"Sous Les Toits de Paris" reaches perfection. Its technique is superb; it is the best talkie so far made, and is yet so essentially cinematic that it could have dispensed with dialogue, which is sparingly and tactfully employed. Sound is here used contrapuntally in the manner foreshadowed by Pudovkin, but which no one save Clair has employed with a tenth of the skill, success, and artistry achieved in this picture. There is one superb scene in which the drama of a savage street sight is immensely accentuated by the noise of passing trains, while clouds of steam drift up through a grating. This sequence alone would give Clair a title to genius.

The atmosphere is magnificent, from the opening shots of the wet pavements and the roofs and smoking chimneys of the city. Here, as was done by Cavalcanti in "En Rade," the most familiar and prosaic objects are made, by some alchemy of the camera, to assume an arresting and unfamiliar beauty. The editing is as superb as the direction; between the two we have the whole box of tricks, but while so many directors employ a trick of technique for its own sake, there is not a touch in this picture that is not just and perfectly right. Subtlety, natural dialogue, humour, and admirable photography and sound recording are among the other features of this outstanding film.

The acting is perfect. Pola Illery and Albert Préjean add greatly to an already considerable reputation, and all the roles down to the smallest parts have been entrusted to finished players. The type-casting is also perfect.

Owing to a change in the management of the Alhambra, "Sous Les Toits de Paris" will have finished its initial presentation before this review is published, and I am at the moment unable to state what arrangements are being made for its future showing. Judging by the appreciation of last week's audiences it ought to be a commercial success, but I shall be surprised if the average exhibitor, who consistently underrates both the taste and the intelligence of the public, and does not allow even the popularity of a "White Hell of Pitz Palu" or a "Chang" to wean him from his passion for mass-produced rubbish, will look at the film. In this connection, it is interesting to place on record some of the gems in a report issued to members of the Cinematograph Exhibitors Association.

Here, the film is recommended to "discriminating patrons who are not easily shocked," although why anyone but a professional purity-monger should find anything to shock him is frankly beyond me. "We fear," continues this report, "that much of the story will be incomprehensible to the average cine-goer," whom the trade evidently takes for a moron. "The theme itself," exhibitors are gravely warned, "is far too 'Continental' (whatever that may mean) to find favour with the British public," which is, however, supposed to enjoy nightly the vulgar salacities of American films.

That brief report more than justifies every criticism I have ever made of the British film trade.

DAVID OCKHAM.

An Industrial Entente.

By Joseph F. Fletcher, A.B., B.D.

A visitor from America is forcibly impressed with the English critic's concern in the financial phase of capitalist economy. His home country has not yet reached the condition of stoppage now the case in England; credit and interest have not loomed large in his picture, though recent developments in American banking circles are of the dramatic character which may tend to turn attention in that direction. It is no simple matter, of course, to say why this is so, but perhaps the Marxian prophecy will serve as well as any to point the fact. English industry has reached a state of capitalistic top-heaviness somewhat in advance of American economic developments (which are still comparatively lusty and energetic), and therefore the eyes of those who would see are turned within, to find finance and credit ruling behind the scenes. When American market resources are more fully explored, when domestic consumption in the States has fallen in more parlous lot, and Smoot-Grundy tariff examples become the order of the day, there will be less talk in radical circles of Industrial Relations and more discussion of Industrial Credit. So it would seem, if America may learn from the English experience.

Readers of this article would probably be shocked to know how little attention is paid by American reform economists to the role of finance in the present economic debacle. The Social Credit analysis, though greatly resisted in England, is really unknown in the United States. Lack of buying power there is still attributed to a more or less arbitrary refusal of producers to pay adequate wages. The Labour movement in the States has no voice within its ranks to call for concerted opposition to any other Oppressor than factory superintendents and mill officials; the industrial entrepreneur is still the devil in the situation.

The most important approach to recognition of Bank-responsibility in the monstrous paradox of glutted markets and increasing unemployment, comes rather significantly from the latter-day saint of the Machine Age, Henry Ford. In a series of three articles which began in the *Saturday Evening Post*, July 12, 1930 Mr. Ford insists on the fundamental, though not obvious, truth that the current fright about over-production in the States is justified, but misguided. Speaking as a "captain of industry," he considers that over-production should mean over-supply, a condition which has never been achieved. In our own words, he hints that unemployment *should* be an economic achievement. Of money he says, "The business of maintaining life is the only proper use of money. . . . And no attention can be given either to reasoning production in terms of needs or to building buying power, unless the finances of the corporation are handled in a broad industrial way. instead of in a narrow financial way."

Those interested in the sociological implications of the Social Credit programme will be further interested in Mr. Ford's statement that, "The phrase 'labour-saving' is current as evidence of how little the function of machinery is understood. For unless machinery is *labour-serving* it has no excuse for being." The morality apparently implied is cer-

tainly more in accordance with the values of a Leisure State, and would involve the substitution of the service-motive for profit in industrial production.

However, from the point of view of propaganda interests, there is little to be said of Mr. Ford's influence in this direction. There have been no reverberations loud enough to reach the public prints; textile manufacturers continue to blame styles, and foreign looms, for the disappearance of their market, and officials of the Textile Workers' Union blame low wages. To the Greens of the American Federation of Labour, the A plus B proposition would be a more unheard of Higher Mathematics than Euclid at his profoundest.

The prospect of winning so influential a person as Henry Ford to a distinction between Industrial Capitalism, interested primarily in production, and Financial Capitalism, interested primarily in interest and profit, is encouraging. Nor is it hopeless to have faith that he will prosecute his thought along such lines. And if Mr. Ford has admitted that the interests of the producer are not always identical with, or aided by, the purposes of the investor—may be assumed that others' eyes are opening—even if they do not speak. The advances made in the technique of mass-machinery production are now so great that industry must more and more settle down on its haunches, so to speak, and learn to live in its own communities without an eye on the door of foreign or new markets. The physical problem of production is practically solved; capitalism's failure is chiefly in the distributive end of the process.

As this truth emerges it will become clearer to "captains of industry" that their work is lost through the obstinacy of the financial "owners of industry." And due to the growth of mergers in the industry, with majority stock ownership in the hands of relatively fewer directors, captains of industry are slowly realising that they are not any longer the real owners; that the banks and "holding companies" have stolen their birthright. This is highly significant as a development of capitalism—the emergence of a third industrial class, assuming, for a salary, the technical role of the entrepreneur of 100 years ago, so that the capitalist may be left free for his financial games. Workers, management, and capitalists are the trinity of our economic organisation, and they find little or no community of interest between themselves.

It seems so obvious, already, that the "first cause" of industry's ills is financial. Free of finance and the banks, industry is merely applied science and technology. It is the financial system which makes capitalism what it is; more and more it is the bank which imposes the motive of profit to the dislocation of distribution and the loss of technical achievements. In the final analysis of the human equation involved, it comes down to a conflict between the purposes of the engineer and those of the investor.

As a matter of missionary tactics it behoves economic reformers to wake technicians to this fact. I have had evidence, during investigations of coal strikes and New England mill troubles, from the lips of district superintendents and mill managers, that their real position is slowly coming home to them. I have discovered in Engineering Colleges that students are not entirely indifferent to my warnings that after graduation they are to be servants just as much, and their work just as much, misused and frustrated, as the workers they direct. Wise managers, continually inhibited by their responsibility to a "board of directors," and eager engineering students are a good ground for the seed.

Stones That Cry Out.

As Mr. Harbron* says in his preface, a connected story of English architecture from 1800 to 1900 is hard to find. Historians of the nineteenth century are seized by the spirit of the century at least to the extent of being fascinated by the industrial and democratic themes. The histories of nineteenth-century literature seem to break with the withering of the early century poets, and to recommence with the enormous foliage of the late-century sociological novelists and dramatists. The other literary movements partake of monastic seclusions from industrialism. With other arts the position is similar. Eighteenth-century drama was the last of drama until the sociologists began to employ the theatre as their pulpit in consequence of the liquidation of religion. Architecture in the nineteenth century is lumped into what is generally described as the general uglification which industrialism and complacency together unconsciously produced.

As Mr. Harbron makes evident between as well as in his lines, this attitude is hardly fair to architecture, the "progress" of which in the nineteenth century has a special interest. Those who believe that the "artists" of an age prescribe the mental outlook and practical values of the next age would do well to consider architecture particularly, since it appears to show that here as elsewhere generalisation is a treacherous game. Until industrialism was considerably, if not well, developed eighteenth-century architecture persisted. When the force of the original push was exhausted the architects were left to put their ears to the ground for news of the next impulse powerful enough to generate an architectural style. Hearing nothing they groped about. Some took instructions from the new rich to produce what would announce their wealth, and the gaudy, ornamental, result also announced, though not by instruction, their poverty. Other architects fell back on the styles of former ages, and as a result of their associations and habitations, their predilections and familiarities, while the industrialists and politicians nurtured the theory of eternal progress and ever-expanding prosperity, the architects fought as to whether they should build reminiscently of Athens or of the Gothic cathedrals of the Middle Ages. Neither reflects the positive influence of the new economic and political systems on art, nor of art on economic or political ideas. Both reflect the homelessness of art in the nineteenth century, and the desire of the artist to escape into sometime else. Architectural style is the last thing to be changed by the spirit of the age; which may be indicative that divine wisdom is not absolutely asleep at any time, since it is as well that anything built to endure should not be subject to the caprices of a moment. The architecture of the nineteenth century represented neither the dominant idea of industrialism nor of the subsequent period; it represented, as Mr. Harbron says, the ancient ideas which the best men of the century, however misguidedly, wanted to revive or preserve.

In Mr. Harbron's epilogue a hopeful paragraph—his book contains very few of such paragraphs—says that,

"Architecture is just beginning to emerge. The evidence of an awakening is in the work of a few artists who have discovered the way of the spirit. . . . Beauty is not conditioned by economics. . . ."

The purport of this last sentence is that mechanically, structurally, and technically, the obstacles to architectural design inevitable in a state of ignorance of science and materials have been overcome. This is correct, but it is a misleading use of the

* "Amphion, or the Nineteenth Century." By Dudley Harbron. (Dent. 6s.)

term economics. Architecture was not dominated by industrialism in the nineteenth century because the minds of buyers were not yet completely submerged in industrialism, and the architects, with such critics as Ruskin against them, could not submerge their minds in it. I wish that Mr. Harbron, instead of ending his history arbitrarily with the century, had discussed the building of the present, also in the light of events. To the non-historian history is of interest only for the light it throws on the direction of present tendencies. Where is the emergence of the awakening new spirit to be witnessed? Is it in London, particularly in the rebuilt City of London? Is it the domestic architecture of Grosvenor House or the service flats? Or is it the new banks, which, more numerous than the inns, arise in every village-market place, and will soon, presumably, dignify every country cross-roads as every city corner site?

While the architects of the nineteenth century were competing—a large proportion of public buildings were to designs selected by the "buyers" from competitive suggestions—as to whether churches, town-halls, public-libraries, mechanics' institutes, technical colleges, government buildings, and private mansions should be Gothic, Greek, Elizabethan, or bastard, the jerry-builders did without architects, who were unable to understand the requirements of the industrial system. This jerry-building for the housing of labourers, artisans and clerks accompanied an increase in population from not much over ten millions to something over forty millions. If ever civilisation begins in England much of it will have to be rebuilt. Even in the case of the public buildings, as Mr. Harbron makes clear, the general "speeding-up" of building necessitated that architects should also speed-up and think on paper instead of in materials. Architects personally were subject to mass-production by the pupilage system to meet the demand. Architecture is certainly dominated by economics now as never before. Outside the economic system the nineteenth century sentimentally ordered what reminded it of old, almost forgotten, beautiful things. It put up sentimental Houses of Parliament, but it put up a real Bank of England (Sir John Soane). The tinsel Houses of Parliament, of the wrong kind of stone, are still good enough, and the sentimental patching of its crumbling masonry is also good enough for it. After all, it may not be wanted long. But real as the Bank of England was, it was not real enough. It was not enough like a boast, not enough like a keep, not enough like the castle of the baron of all the land, for whom monarchy, even on the currency note, had to be limited out of existence. Architecture is dominated by financial mercantilism. The architect who wants a worth-while job may design only a bank, an insurance office, a shop, or an advertising agency. The rest, the works of the awakening spirit, the new Adelphi Theatre, for example, are at best as shrubs in a forest. They are destined to be lost in the darkness of the alleys between the Babel-like banks and mercantile offices.

It does not redeem architecture or art to be able to point to beauty spots in a wilderness of ugliness, though it may redeem individuals. Less than twelve just architects are not capable of saving London. It is one of the necessary laws of architecture that a proportion should be kept between form, massivity, and function. Looking at the exterior of a country with sensitive eyes it betrays what it adores, under what giants it serves. The jerry-built, gardenless, back to backs still house the people. The mass-produced, semi-detached, uniformly designed, green-timbered "villas" continue to spring up and invite the lower middle-class homeseekers to spend their artificially mean income for the next fifteen years. The slums of

Westminster continue alongside the Government Houses and Royal Palaces. Holloway Road goes on depressing all who have to pass that dreary way. If the architects of England have any serious care for the face of Britain as shining forth in future how they treated her, let them form a guild and survey Britain, from Edinburgh and Glasgow to Leeds and Wigan, and from Walthamstow and Wapping to Bristol. By the time they report what in their judgment needs to be done, for their own spiritual credit as artists, another corporation will tell them how the necessary financial credit can be found. For architecture, while it has become in a sense the most individual of the arts, must always remain the most social; and it is at present the most subordinate to the artificially stringent financial system. It, not being entirely dominated by industrialism, as events have turned out, and as Mr. Harbron would agree, is evidence not of its freedom but of its impotence. The consequence of its having worked in corners to please the whims of individuals, or to express emotions left over by tradition, and of its having been altogether ignored in much building, will require a long time to undo.

Mr. Harbron is to be thanked for attempting to fill the vacancy in history, for nineteenth-century architecture in relation to nineteenth-century "progress." It is regrettable, however, that parts of the book have appeared in *Architecture*. The book should have been written entirely afresh as if nothing had appeared previously, which would have prevented both some gaps and some overlapping. There is no objection in principle to the collection of essays in book-form; but I think that reflection would show that there is such an objection when the book is a narrative, unless that was the conception before the separate articles were written. Mr. Harbron, also, in spite of the great interest of his matter, writes sentences which have to be read three times for their meaning to emerge. R. M.

Advent.

By Star Gazer.

"Now is The Day of the Earth,
The solemn rejoicing of Birth.
No more in the skies
Our salvation lies,
And ended is all our dearth."

—Limerick from "Modern Doggerel."

The travail is over. He Who Should be Born has come and He has brought with Him the Power and the Glory. These inhabit every soul, giving motion and utility to what has been petrified from the immemorial Past. The mastery of Inertia is undertaken, and all must eventually yield up heaviness and density. The soul of man is invincible.

Rejoice! That the beam of light can now penetrate not only the human form, guiding the physician to the point where resistance to its clear passage indicates disease, but that hard substances can be pierced by that ray and made to yield up knowledge of their constitution without the labour of cleavage.

Marvel! That the toilsome weight can now be lifted by the force of attraction, free from binding cords, and let not the sight of mass suspended by the huge magnet over the hold of some ship, berthed in smoky dinginess and served by grimy men, be thought less worthy than the tender mystery of lovers, leaning involuntarily towards one another as they walk, influenced bodily by the same force of attraction.

The Birth is complete. The Earth is for ever brought into subjection to that Advent, and the Power has worked to release the great magics of earth, air, fire and water in the service of humanity,

that the Glory, trembling in the soul of man, may be extended to the outermost range of his world.

Until that delving is complete, men work in darkness, not knowing what they do. But with its approaching completion, light is already breaking through. The quickening spirit has almost performed its cycle, through density to tenuity, and shown that all substance is one. Mind now recognises mind imprisoned in the density, and the antimony of Mind and Matter is at an end.

But not until the achievement of the ages is humanised in Leisure, and the realisation in thought translated into realisation in life, will true Human living begin. For Human life is Divine life; and the full utilisation of those elements, which have each in turn occupied men's thought as the prime substance of human being itself—earth, air, fire and water—affords but the base upon which creation of the unknown Human Society rests.

It were idle to deny the powers of Darkness and Inertia which yet restrain the prodigious infant of that Advent. But the Power takes over the task of the resistible, "all-too-human," personal tension, when the individual soul's self-knowledge enables it to relax its strained attempt to carry alone the burden proper to be cast upon the Whole.

When the magnetic current is allowed to flow through men and raise the load as the electric magnet lifts the steel rails; when the illuminating ray of awareness discloses the point of resistant density in the psyche, the common achievement of men in the outer world will be balanced by the individual achievement of that incarnation, the prototype of which is the Christmas Advent.

FINANCIAL INTRIGUES.

... "last week the leading chieftains of international finance were plainly worried about gold and the kindred problems of German reparations, Allied War debts. Within the fortnight Messrs. John Pierpont Morgan and Owen D. Young were in London, conferring with Rt. Hon. Montagu Collett Norman, Governor of the Bank of England. Tipped off that Mr. Young was in Paris last week 'incognito, and making a great effort to keep his whereabouts secret,' correspondents sought out Governor George Leslie Harrison, of the New York Federal Reserve Bank, at his Paris hotel, asked bluntly, 'Have you been conferring with Owen D. Young?' Said Governor Harrison frostily, 'I prefer not to say. . . I am simply talking over monetary affairs. . . Of course, gold is always one of our problems.'

"Presently a report gained credence that the Old Lady of Threadneedle Street was seeking a credit abroad in the amount of one billion dollars. It was pointed out that short-term French credits in London last week almost equalled the gold reserve of the Bank of England, that the Old Lady must be ready to meet any sudden French demand, that she faces two major Empire monetary problems: (1) Chancellor of the Exchequer Rt. Hon. Philip Snowden's reputed intent to convert a huge part of the \$48,000,000,000 British 5 per cent. War bonds now outstanding, paying off the holders with the proceeds of a loan floated on current 'cheap money' at a lower rate of interest, and (2) the imminent need in Australia for at least \$200,000,000 of Dominion Government paper conversion.

"First reaction on 'change in London to the billion-dollar loan report was a stout assertion in many quarters, that 'except in war-time this country has never borrowed abroad. Any tampering with that tradition would be most unpopular.'

"It was then said that in order to meet this 'psychological issue,' Governor Montagu Norman, of the Bank of England, had in mind 'reciprocal credits.' That is, the Bank of France and the Bank of England would each extend to the other a credit of \$1,000,000,000—though obviously only the Old Lady needed credit."—"Time" (Chicago), December 1.

Drama.

To See Ourselves: Ambassadors.

Perhaps it is a biological safeguard that we cannot "see ourselves." The glimpse we have obtained during the last fifteen years is generally voted to have been bad for most of us. We have borne it with such lack of fortitude that a considerable number of mental specialists believe their healing task to consist of once again "objectifying" us. We have been enjoined for many centuries to "know ourselves," but that may be so far different from seeing ourselves as to include not wanting to see ourselves. There is a parlour-game which is played by the participants agreeing to throw off hypocrisy, and to tell the truth about one another. It does not seem very popular, except on the stage. Even there, as in "To See Ourselves," the aggressive backbiters have it all their own way, while the more patient, more social, types have to take all the hard knocks. Helped by the parlour-game, however, I cannot see the characters in the play either as they see themselves or even as their author sees them. But I have to allow that the author sees men pretty much as women in general seem to see them. It explains why men complain that women fail to understand them.

Men would be glad to know Freddie Allerton. In spite of the world trade depression he manages to make his South Devon paper mill pay, and to manufacture only the highest quality of paper. His mill is one of those rapidly disappearing family concerns in which the employer's family almost includes the workpeople. That is not how the author presents him; she caricatures him as a stupid, stodgy, newspaper-reading bore, who does not hear his wife's trivialities of conversation, and who, when somebody else has put her up to sighing for the sight of the Alhambra by moonlight, stupidly supposes that she means the Alhambra in Leicester Square. It was really natural for him to suppose so; a woman living in South Devon would be more likely to want a trip to town, London or Paris, than anywhere else, especially by moonlight, in which South Devon is not deficient. The person who puts this whim into Mrs. Allerton's head is a bright young metropolitan, who might equally naturally be expected to sigh for globe-trotting, guide-books, and romance anywhere but where she happened to be. This bright young person, along with her fiancé, have accepted Allerton's hospitality for a very long week-end. The couple use his house as their own; notwithstanding servant difficulties they do themselves really well. They go out for Devonshire walks until dinner-time, and eat Allerton's dinner with first-class appetites. They are heavy on both his cocktails (in South Devon) and champagne. And whenever he is out of the room for a minute—presumably when they are out too—they are conspiring to complicate the lives of the Allertons in accordance with metropolitan pattern. Either they are making Mrs. Allerton dissatisfied with marriage to a man who manufactures only the highest grades of paper, or planning for the young fiancé to make love to her, with the misguided good intention of cheering her up, which means, presumably, making her a bright young metropolitan. They do this sort of thing in spite of the fact that the husband has on his mind the threat of a strike at the mill, which he settles, by the way, by his own good-sense and good-humour. It is not remarkable that the love-making of the young fool of a fiancé to the older married woman leads to her having a nervous breakdown. It is remarkable, however, that three days later everybody parts on such good terms. However, all this

is only one point of view. Women are sure to like the play. They will see Mrs. Allerton as the lonely wife whose husband, absorbed in his pursuits, gives her emotional hunger about as much satisfaction as would a roll of paper; they will see the young couple really trying to brighten the world, and to profit by the mistakes of their elders. The play is quietly and sympathetically produced by Mr. Frank Vernon, and three of the four main characters are beautifully acted: Allerton by Mr. Nicholas Hannen, his wife by Miss Marda Vanne, and the fiancé by Mr. Maurice Evans. The character of the younger sister is not well drawn. It is the author's repository for the story, and Miss Helen Spencer seemed uncertain of the proportion of brightness and seriousness it required.

Jane's Legacy.

Sir Barry Jackson now awaits an answer to the question whether the public which made Mr. Eden Phillpotts' "The Farmer's Wife" and "Yellow-sands" into huge successes are by this time ready for more out of the same junket-bowl. The next text is that the love of money is the root of all evil. Jane Mortimer, fifty-five, spinster, receives a thousand pounds (four figures!) in memory of services rendered long ago to some wealthy, now deceased, baronet. She and her brother simply want a grand piano and a medlar tree, after the purchase of which anybody may have the balance. But as Alfred Doolittle also alleged, money is more easily obtained than got rid of, unless the amount be contemptible. Also very like Doolittle, Jane Mortimer suddenly found herself swept up by crowds of advisers and relations. Those who might benefit by her will wouldn't hear of her touching the capital, and would hear no good of one another. The old soldier who wanted to marry Jane also wanted to protect her from her relations. Her niece had as much trouble as her aunt, and more suitors, apart from losing the one she wanted because he wouldn't "marry better off" for fear of losing his authority. But the hand of Providence looks after the truly good, and in the end another Jane Mortimer turns up with an indisputably better claim to the money to relieve Jane of her burden.

No doubt everybody has pointed out the resemblances between "Jane's Legacy" and Mr. Phillpotts' previous work. The new play has been woven on the same loom, to the same pattern. The second act is the well-known tea-party. There are the same love-scenes between only half-articulate country couples which the newspaper and Arlen fed think so funny, but which America has adapted for the city petting party. But the play is also different from the earlier ones. Mr. Phillpotts is, of course, the sentimental interpreter of the common-folk. He is their romantic historian. His Churdles Ash and his ne'er do well, who have all the philosophy of Mr. Eden Phillpotts at the tips of their tongues, are beloved Devonshire vagabonds, who could not exist outside the romantic imagination. In this play, however, they have no complete equivalent, Mr. Phillpotts apparently having substituted the Devonshire Gil Blas, an old soldier who drinks, philosophises, lives by his wits, and loves for money. He is magnificently acted by Mr. Frank Pettingell. He is magnificently acted by Mr. Frank Pettingell, but he cannot attract the love which was given to Louise Hampton seizes the part and removes it entirely out of Mr. Phillpotts' Celtic sunlight into the realm of real character, living under clouds, rain, and frost, mixed with sun. Possibly Mr. Phillpotts meant it to be so. There are several signs that he may have been trying to forsake his old sentimental loves for character's sake. For example, when the table is laid for the tea-party in the garden in stage-sunlight, the lights have to be lowered because "it

looks like rain"; and the end of the party, with a concertina for dancing being played at one side of the stage while the villagers fight at the other, is the most true, pathetic, and nearly tragic moment I recollect in all Mr. Phillpotts' work. For the third time I wondered if he had been reading "Juno and the Paycock"—which was also about a legacy—and had been unable to escape entirely from its atmosphere. Certainly Miss Hampton acted as if in an O'Casey play, and Frank Moore as her brother began as if he were going to do so. I should rather like to see the play produced as a whole in Miss Hampton's mood, which fell also, at moments, on Mr. Colin Keith-Johnston, as the niece's lover. The other parts were performed in the tradition of "The Farmer's Wife." Miss Dorothy Hall as the second Jane Mortimer, and Miss Viola Lyel as the niece of the first one, were both very good. But the styles do not fit. The pathos of Miss Louise Hampton and the reality of Colin Keith-Johnston wipe everything else out of memory.

PAUL BANKS.

A History of Reparations.

The sub-title of a new book on Reparations* is "The Background and History of the Young Plan and the Hague Agreements." The authors start with the Peace Conference of Paris and trace the history of the problems of German disarmament, Rhineland evacuation, the Dawes Plan, and Reparations payments through the subsequent eleven years. The last seventy pages of the book are occupied by reprints of official documents and reports, beginning with the text of the Young Plan and including the decisions arrived at by the Hague Conferences of 1929 and 1930. There is also a bibliography and index. Sir Charles Addis, K.C.M.G., contributes a foreword. "The Hague Agreements," he says, "are the handiwork of the politicians who signed them, and it is they who have to bear the responsibility." Seeing that the peoples of Europe, he continues, "choose to be governed by politicians," naturally they "must have politicians to represent them" at international conferences. He does not name the kind or class of rulers whom he thinks ought to have been chosen by the peoples of Europe, but of course there is no need for him to do so. Reparation questions are money questions; and since it is a universal doctrine that monetary policy must be independent of political control, it follows that the effective arbiter of all settlements must be the banker. Sir Charles is kind enough to excuse the ineptitude of the political negotiators on the general ground that they did not command expert knowledge and were often hampered by "able departmental officials"; and also that they were beset with such obstacles as "diversity of racial temperament" and "different tongues." The wonder is, he comments, that in the face of these two "salient difficulties" the representatives of nineteen different nations were able to agree to any settlement at all. But there is no need for wonder. In the first place it is more than probable that none of them agreed to any of the settlements and that, although they were lacking in knowledge, they were not so foolish as to suppose that the settlements were final. These politicians, within the limits of power imposed on them by the money-interests, made as much use of their opportunity as any other negotiators could have done in their place. Their policy was to design formulae of settlements which left something unsettled—whereupon they could cheerfully attach their signatures to

* Information On The Reparations Settlement. By John W. Wheeler-Bennett and Hugh Latimer. (Allen and Unwin. 253 pp. Price 10s. net.)

documents in the confident knowledge that the something unsettled would sooner or later turn them into waste paper. "Sign?" exclaimed Mussolini in one of his speeches, "yes! we'll sign anything. The more the merrier!" What did it matter? And apart from questions of ability or policy life is short after all, and there comes a point in all discussions when somebody will say: "Now, gentlemen, I'm not staying here all night if you are. What are we going to do?" It is the clock that signs the agreements. Of the book in question one can only thank Providence that he has not been set the task of doing what these two authors have done in compressing the impalpable powder of eleven years' disputation into a concrete form. For compactness, orderliness and informativeness their work is unexcelled; and they have contrived to write it entertainingly in spite of the inherent dullness of the subject. Students of the credit-question in its relation to international politics will appreciate particularly the inclusion of the names of all the personages—bankers as well as politicians—who took part in the more important negotiations at their various stages throughout the period surveyed. In this and all other respects the book is invaluable to speakers and writers, and it contains much material by which instructed readers will be able to interpret events which have yet to arise out of this eternal ferment of debt-controversy.

A. B.

On Propagating a Gospel.

By F. C.

The New Testament, which is one of the best elementary handbooks for propagandists, continually points out that it is not the seed that matters, but the ground. The seed is, by definition, assumed to be good seed. But it will not grow on rocky soil or by the wayside.

If, therefore, one has a tested seed, it is not advisable to assume that its excellence will overcome all obstacles. That is the fanatic's point of view. It is better to examine the possible soils. Indeed, the first chapter in any "Guide to Propagandists" should be a critique of soils.

Now, if one is entrusted with an Economic gospel, it will usually be found to consist of two well-defined parts: (1) An analysis of present evils; and (2) a technique recommended for reorganising the business. Since existing evils are likely in some degree to be apparent to a great many people, the adherent of any special gospel will probably discover other schools of thought have already hit on some part of his own analysis. That is natural. It only proves to him its correctness. He may even come across theorists who agree with him on every detail of his picture of things as they are. Yet there may be few who will accept his proffered solution.

That being so, it is clear that the primary analysis, while it may have only one *sane* solution, will nevertheless appear at first to the public to allow of several possible solutions. This often irritates the propagandist. But his irritation, though understandable, is unnecessary. Let him rather rejoice that he has many allies—willing and unwilling—in the early or analytic stages of his task. Let him make use of these theoretical allies as far as they will go, always retaining his own integrity, and invariably trying to drive their efforts at analysis just a step further on the path.

It is frequently a temptation to rest upon the analytic phase of propaganda, because here one is upon common or public ground, and many adherents can be won, or partly won. The temptation is a human one; and those who yield to it can do no harm. Yet in recommending the solution arises the real task of the propagandist.

Let me state at once that the most favourable soil for an Economic gospel is among those who are both politically and economically awakened, at least in some degree. You must have both, because the economic adjustment has to be put through, in the last stages, by some use of political machinery, even though the word "political" may be applied in an elastic sense.

The politically awakened are busy bodies, if rational and well-intentioned busybodies; they are temperamentally pleased with the chance of getting round and doing things—canvassing, voting, serving on Committees and Municipal Councils, and so forth. The economically awakened are

people with an economic complaint, though it may be of a highly idealistic type. They want matters readjusted in the sphere of production and consumption. It is obvious that the two forms of awakening do not necessarily coincide under the same hat. Many political people have no economic complaint, and many who have an economic complaint are by no means political busybodies. The former class will find the greatest difficulty in grasping the implications of a new economic technique, even if they get some vague sympathy with the analysis that precedes it. The latter class will be temperamentally unwilling to do anything about it; though I will admit that they can be stirred to action if their complaint sharpens and the leadership is forthcoming.

This at once narrows down the available soil on the field of propaganda.

We may go further. Those both economically and politically awakened are, by definition, accustomed to discussing actual application of all kind of economic remedies, good, bad, and indifferent. They will in their own circles discuss them fairly and on their merits, even though they may often arrive at a wrong solution. They are, in other words, not afraid of being called "cranks" and "idealists," it being their business in life to investigate these remedies, supporting some and discarding others.

Every other member of the community is afraid in this regard of being dubbed a "crank" or an "idealist." He may accept much of an analysis of existent evils, but of the validity of any suggested technique he is quite incapable of judging, or believes that he is; and that is as bad. He imagines that, if he accept such and such a solution, he will inevitably have to endure one or both of these names. It is not until some of his contemporaries have suffered in the Cause and that Cause has itself got into "the news," that he at last consents to be identified with it. Especially does this apply to literary folk and dramatists. These gentlemen have excellent noses. They can be trusted to smell out any new gospel for themselves; and, if temperamentally so inclined, they may be among the first to adopt it. If they are not temperamentally so inclined—and most of them to-day are not—they will wait until they think it a subject sufficiently stimulating or popular or provocative to introduce into their novels or plays. They are as desperately afraid of being thought "cranks," anyway in the realm of ideas, as any of us. Yet once an idea is "news," they can be trusted to smell it out and make reference to it.

There is only one section of the community at present admirably suited to be the soil of a new economic gospel. That is the Independent Labour Party. The members of this Party are accustomed to dealing both in political and economic terms, and to contemplating them in relation to one another. They are the only body in the country that does so consistently and yet with a tendency to examine—and fall under the enchantment of—any fresh solution that is honestly offered them. They have been apt to discard one solution after another, finding all equally barren. At the moment they are suspended in a mood of doubts and disillusion.

Let it be understood that I refer not to the leadership of the Party, but to its rank and file, scattered throughout the centres of the land. Many, who comment lightly on the "Labour Party," often confuse the leaders with the broad membership and show no appreciation of the real problem. The leadership can be on the whole ignored. Their noses are as good as those of the literateurs; and they are otherwise absorbed in log-rolling and Parliamentary manoeuvres.

The rank and file, however, consists in any centre of a sound working-class majority, with a fair proportion of the enlightened "intellectuals" and small professional men of that neighbourhood. The members have their roots on the one side in the Labour Party proper, and on the other in the general social life of their district. They are quite capable of producing locally a new leadership with new dates upon the new platform. Many of them are recent converts from Liberalism and even from Conservatism. They are already acquainted with the analysis of economic evils, that is a necessary preliminary to any acceptance of a technique of economic readjustment.

Yet in the close I recant on one point. I believe my theory of propaganda to be a correct one. But I will admit—as I have implied above—that propaganda is, after all, a temperamental matter. Let each man preach his gospel where his spirit leads him. It would indeed be useless to suggest anything else; for individual temperament is stronger than any persuasion. And who knows where good may come, occasionally in most unexpected soils. For all that, if it is a reasoned plan of strategy one wants, I beg to commend the conclusions laid out in this article.

LETTERS TO THE EDITOR.

SIMPLIFIED SPELLING AND ESPERANTO.

Sir,—As this language controversy has revived, perhaps I might be allowed a rejoinder. (1) Esperanto is all very well, and doubtless very useful. But all the artificial languages must, I fancy, come to grief over idiom. The Society for Pure English tract No. XXXIV, discusses this in connection with the latest artificial language, Novial, invented by the Danish professor Jespersen, who is, as it happens, one of the leading authorities on modern English. To test the higher claims for Esperanto made by Mr. Butler, let an Englishman translate the first two paragraphs of—I will not say "Old and Crusted's" article—but of "Victorian Apology" into Esperanto, then a Frenchman turn this into French, another Frenchman re-translate it, and, finally, another Englishman turn it into English again, and let it be compared with the original for sense.

(2) I can only dissent from the notion that normal English children have not to struggle with spelling, and suggest a stay in the nearest elementary school, or a perusal of the educational publishers' catalogues.

(3) I am, I believe, more conservative than you in this matter. The present spelling does nothing to preserve the sound values of the best English speech. It hasn't in the past (see Lord Ernest Hamilton's "Forty Years On" or the poetical rhymes of the past). It isn't doing it now, as painfully listening to the suburban Londoner, the South African, the Canadian, the Australian, and the American will show. But I don't think, from my present knowledge, that the phonetically-spelt languages have changed to anything like that extent. In any case, nobody can stop the industrious foreigner learning English. Very sensible of him, too.

H. COUSENS.

[The present spelling of English words records their ancestry. We would not care to have that record obliterated.—Ed.]

LEST THEY TURN AGAIN. . . .

Sir,—The resolution, of which I enclose a copy, was passed *nem. con.* at a meeting called by the Erdington Churches Concerted Action Council last week. In framing the resolution I purposely avoided any suggestion of how the policy was to be carried out, and I was able in consequence to lay weight on the fact that we were not, in passing the resolution, "getting mixed up with politics" or trespassing on the ground sacred to supposed "experts." I took the position, on the contrary, that we show most respect for our experts when we tell them what we should like them to do.

The phrase "those who control the economic policy" leaves it to the individual taste to determine who these may be. But copies are being sent to Town Councillors, M.P.s, and local newspapers.

In short, I should like modestly to suggest that here is a useful piece of propaganda worthy of imitation. It is my experience that there are many more people being convinced by logic than either Major McGlashan or Mr. Hargrave imagine. It is not always the logic of our propaganda, but that more effective influence, the logic of events, which needs only to be raised from the unconscious of innumerable minds.

W. S. FERRIE.

[Copy of Resolution.]

"Resolved that, inasmuch as it is generally recognised that the present state of unemployment in industry is accompanied by an excess of production over consumption, this meeting considers that it is the duty of those who control the economic policy of the country to make demand so effective as to eliminate want and at the same time stimulate production still further."

"Sir,—You invite me to expand my theories as to how the currency should be manipulated. I can only refer you to the books and writings of C. H. Douglas, the Scots engineer, who for ten terrible years of trade depression has had the doubtful satisfaction of seeing every word and letter of his black prophecy concerning money, trade, and prices fulfilled. His analysis of bank credit and detection of the ever-widening gap between purchasing-power and prices, stands exactly where it did ten years ago, and now constitutes a terrible indictment of our so-called statesmen who still go on playing the party game as bankers' pawns."

Opening paragraph of a letter filling more than a column in a recent issue of *The News* (Wembley) over the signature, D. W. Lewis.

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The Social Credit Movement.

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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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