

# THE NEW AGE

INCORPORATING "CREDIT POWER."

A WEEKLY REVIEW OF POLITICS, LITERATURE AND ART

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## NOTES OF THE WEEK.

The leading article in *The Times* of May 31 on the resignation of Dr. Brüning is worth noting for reference. It gives a summary of the reasons which led President Hindenburg to withdraw his confidence from the Chancellor, reasons which taken generally, will be regarded as entirely credible by students of Social Credit, for whom, indeed, the article will make really entertaining reading. It could be entitled: "How Bankers Rule." Here are one or two points:—

The Chancellor's rule is described as "parliamentary in form but dictatorial in practice."

His Government "ruled by edict."

A man of "frugal habits and austere outlook, he has ruled the country with almost monastic severity."

What first shook Hindenburg's confidence was Brüning's suppressing the Hitler army while leaving the semi-military formations of the Social-Democrats untouched. "To Dr. Brüning the Socialists were invaluable." [They would be! Think of Snowden!]

This discrimination increased the influence of the military element in the Ministry of Defence, who forced the resignation of General Groener. [Groener was at the head of all the forces of law and order—a sort of Lord Reading and Sir Hebert Samuel merged into one, controlling the army and the police.]

The article proceeds to reconstruct the culminating event as follows:—

President Hindenburg spent the Whitsun recess on his East Prussian estate, and while there had been subjected to a "continuous flood of advice" from people not his "constitutional advisers." [He took advice behind the bankers' backs!]

"By birth and training a Junker and a soldier" [Embodiment, as we may note, the traditions of Feudalism, which are fundamentally inimical to Finance] "the aged President" [Evidently the bankers have suddenly discovered that he is too old for his job!] "could hardly fail to be influenced by the protestations and the strong feelings of his landowning neighbours; and they had in fact sympathised. The Chancellor's further stern scheme of proposed economies were reported to include the compulsory sale of insolvent big estates—of which there are many in Prussia—and their division among small-holders . . . It cannot have been difficult to stigmatise the selling

up of embarrassed landowners as pure Bolshevism; and criticisms on other counts seem to have been levelled at Dr. Brüning." [Compare Snowden's land-valuation plans of last autumn now temporarily suspended—but not abandoned—by the National Government.]

"The Chancellor clearly had the right to know whether he and his colleagues were governing Germany or personages behind the scenes": [Loud laughter from the Social-Credit benches!] "and he seems to have put the question to the President with his usual forthrightness." He also requested "it is suspected, a definite sign of Presidential support substantial enough to carry him not only to Lausanne but past it. The old Field-Marshal demurred; and Dr. Brüning's resignation followed though he has consented to carry on current business" [or, more precisely, currency business!]

The article says that for some time past it has been apparent that Dr. Brüning was being pushed further to the Right than was congenial to him, and instances his speech on May 11 in which he "declared that foreign Governments failed to realise that 'the conditions on which a resumption of payments depended were in reality unimaginable'"—a claim "in direct contradiction to the conclusions of the experts in the Basle Report; and expressed an attitude which seemed to make an understanding with France at Lausanne impossible." It will be noted that this declaration by the Chancellor amounted in content to absolute and final repudiation, as contrasted with Mr. Lang's policy of partial and conditional repudiation in New South Wales. And just as the bankers punished Mr. Lang's heresy by procuring the embroilment of his State Government with those of other States and of the Commonwealth so, in the present article, there is a pretty plain indication that the bankers are ready to embroil Germany with France if Germany does not obey the will of the experts at Basle. Apropos of this parallel we had better quote a "note" that we wrote for last week's issue, but had to hold over:—

### "Langism" and Civil War.

The *Observer* of May 29 publishes a message from its Sydney Correspondent about the coming election in New South Wales. Referring to Mr. Lang's electoral programme, in which Mr. Lang contemplates exercising the power to "raise loans and issue currency" he remarks that the elec-

tors are faced with two issues: "honesty or civil war." The Commonwealth, he suggests, would have to restrain Mr. Lang by enforcing its powers "physically." The reason given is that the Commonwealth cannot permit illegalities and still survive. No reference is made to the fact that Mr. Lang's policy is only illegal because the bankers intervened and procured its illegalisation at Canberra. Through their power of financial persuasion and coercion they got Scullin to resign and then cooked the Constitution in such wise as to legalise their command of the Commonwealth forces of law and order and their employment of them in defence of their own interests. And now the logic is working out beautifully; "If you vote against the banks you vote for bloodshed." Splendid. After that it does not matter a scrap how the vote goes. "If Mr. Lang loses this election he is finished," declares the Correspondent. Maybe—but the bankers' victory will finish them.

Just as "Langism" proceeds in the Commonwealth from the discontented Labour Left, so it proceeds in Europe from the discontented Junker Right; and in either case the bankers' ultimate method of suppression is war—civil war in Australia or international war in Europe. How long will the Lefts and the Rights in the world take to realise that they are equally the victims of the financial tyranny, and that their only means of escape is to unite against it?

The Judicial Committee of the Privy Council have dismissed the appeal of the New South Wales Government in respect of the conditions on which the Legislative Council may be abolished, deciding that this cannot be constitutionally done without a mandate specially secured by a referendum. The first leading article in *The Times* of June 1 gives an excellent summary of the origin and development of the litigation, and we advise those interested in Australian affairs to get it. It is not a whit less instructive and amusing than the article on Dr. Brüning just referred to, and heavily underscores the celebrated observation of the Dean of Winchester in *The Times*, August 15, 1931, p. 9, col. 5.

for the recent experience of Australia shows us that the banking community is at long last a very effective Second Chamber."

The effect of the Committee's rejection of the Appeal is to establish the Constitutional doctrine that a State Legislature of one political complexion can not only pass measures, but can also embody in them provisions imposing rules which succeeding State Legislatures must obey as a condition of repealing those measures. In New South Wales, as in all the States, the Upper House—the Legislative Council—is a permanent bankers' assembly, which, whatever else it lets through, can be relied on to strangle at birth any measure threatening to challenge the bankers' control of credit-policy and currency-management. The Judicial Committee's decision is incompatible with the principle of democratic government, because that principle would obviously require that if a referendum is now necessary to reverse any legislation, a referendum should have been necessary to confirm that legislation when it was passed. But, of course, the rule of democracy is only applied when it can be exploited in the interests of the bankers. The Judicial Committee followed a procedure similar to that advocated by Mr. Justice McCardie and discussed by us last week in our article: "Sociology and the Law." Only, instead of importing "Sociological Knowledge" to amend the letter of statute-law (as in Mr. Justice McCardie's case) the Committee imported "financial knowledge" to amend the letter of democratic law. They may be imagined to have said to each other: "Of course, strictly speaking, the rule of democracy requires that no obstacle should be placed in the way of one majority-party's policy that is not placed in the way of another's; but all the same, our knowledge of finance (*sic*) convinces us that every obstacle must be placed in the way of

legislation which endangers the private control of credit. Their "knowledge of finance," it may be pointed out parenthetically, is indicated by the fact that three Judges on the Committee were unable, in the Waterlow Appeal in the Lords, to come to a unanimous decision whether a £5 note costs a central bank £5 or a penny! They are unanimous on a subject in which there exists the widest room for diversity of judgment, but were divided on one in which there is no room at all. In both cases they had their eye on consequences; and as the banking community are regarded as the expert assessors of such consequences (and naturally so because they are arbiters of consequences, i.e., they can secretly precipitate the very events which they prophesy as automatic consequences) the bankers cash out on the judicial decisions every time. So-called Autocratic, or Democratic systems of government are today essentially unified on the fundamental principle of: *Acting For the Best*—and as it is accepted as axiomatic that *Bankers Know Best*, sound government consists in doing what the bankers advise.

As the latest example of this, the new Chancellor of Germany, Herr von Papen, within a few hours of displacing the bankers' "observer," Dr. Brüning, was interviewed by Dr. Luther, the Governor of the Reichsbank when the two of them "found themselves in complete agreement" on the principle that the new Government shall rigorously bar any "currency experiments." This at once assures that the Junkers, as the price of escaping the selling up of their estates, will now have to sell up their fellow citizens, and in fact it is already forecasted that they intend to abolish unemployment relief. The bankers' lying half-truth: "There is only so much money about" has prevailed once more, and the seeds of the Junker dissolution are already sown—like the tares among the wheat. Until a Government shall declare the full truth: "There can be more money about," or, more precisely: "There can be more purchasing power in the money that is about," there is no end in sight of the Pull-Nazi-Pull-Socialist tug-of-war, except the last tug which breaks the economic rope and precipitates the whole country into military warfare.

Happily the risk of war is more a bankers' risk than anyone else's. When next the rope breaks the two pieces will inevitably be used in the end, the one by the democrats to pinion them, and the other by the aristocrats to hang them; and the feet of Finance will dangle at the cross-roads. The more they get their own way to-day the earlier we shall get them out of our way to-morrow. Their ineptitude is such that obedience to their orders throws them into confusion. That is why we have said on several occasions that it is probably more useful for us to push behind them than to oppose them. Someone told us the other day of his application of the idea.

"I was with some fellows in the —, and they were all on about economy. So I chipped in and said: 'Yes; quite right. This National Government is a fraud—it hasn't begun to economise—what we want is a resolute policy—retrenchment—what have they done?—look at all these banks—insurance companies, and newspapers—just think of the enormous waste of money on all those buildings and staff—ten times as much as we need—it is right to give up party politics why have crowds of party newspapers telling us the same news for pennies as we could get for farthings—why not one National newspaper. This Government has got to govern—it has got to turn screw and damn all the hardships—and it is up to us to bear them for the sake of our country. If they can't do what we put them there for, they must be kicked out to make room for others who will

This cursed sentimental weakness is ruining the country, and I am not ashamed to say so even though I voted for them. . . ."

This, and a lot more, he rattled off in a tone of righteous indignation. One amusing item in the story was that among the company was a Press-man: and our informant said: "While I was cracking on about rationalising the Press I could see his jaw drop." And the general effect of our friend's diatribe was, he said, complete and instantaneous: they all got an itch to talk about the weather. Probably his heated outburst chilled more feet than he knew.

The positive value of this negative propaganda will be apparent; and one of its merits is that it can be undertaken by anybody who sympathises with Social Credit and wants to give it a leg-up without having to expound it or argue about it. We hope that someone will try this out at a public meeting: for we can foresee that if done artistically it could easily set an audience of economisers at each other's throats. It would be no exaggeration to start off with a denunciation of the National Government as a gang of traitors, for, if their acts are measured by their electoral protestations or by the principles they insisted on, they certainly are traitors. The French Revolution affords more than one example of the fatal effect of "lack of zeal" on the part of the revolutionary leaders. And, when one comes to think of it, the bankers' *coup d'état* of last autumn was the French Revolution upside down.

Reverting to the situation in New South Wales, Mr. Lang has been outlawed by the banks for disputing their right to control State credit-policy. It is unlikely that he will win the forthcoming election, but even supposing he were to, he is now saddled with the task of winning a referendum into the bargain before he can get over the obstacle of the Legislative Council. And supposing he looked like getting over the second hurdle it is quite on the cards that the bankers, who have laid heavily against him, would seek to disqualify him in retrospect from running at all. We are pretty sure that since Sir Philip Game's act in dismissing him for deliberate illegality has been accepted by the British Government as within his discretion, constitutional lawyers could frame up a case to show that Mr. Lang had been thereby disqualified from holding office thenceforward, or from even seeking election. And we are quite sure that if the Supreme Court of Australia upheld that case the Judicial Committee of the Privy Council would follow suit on the principle of "acting for the best." "It cannot be right," they could be supposed to say to themselves, "that the same political rights should be granted to statesmen who break gentlemen's agreements in order to fulfil workmen's agreements, as to those who break workmen's agreements in order to fulfil gentlemen's agreements." And they would proceed: "Although a contract is a contract irrespective of whether the injured party draws a small wage or a large dividend, yet we must have regard to the consequences of varying the terms in the respective cases. Here we are on clear ground, because the over-riding criterion of judgment is the imperative need for economy (per Niemeyer and other leading authorities of the High Financial Judicature). It is clear that this invalidates the fulfilment of workmen's contracts, since they involve the maintenance of spending power above the true economic level, and are therefore incompatible with the rule of economy. On the other hand, although gentlemen's contracts similarly involve the maintenance of spending power, gentlemen don't spend—they prefer bonds. Investments in bonds are savings, and are therefore compatible with the rule of economy, and are, moreover, a well-attested means

of effecting economy. Again, it is a matter of everyday observation that gentlemen are peculiarly sensitive to breaches of contract, and easily lose confidence, whereupon courage fades out of enterprise and trade collapses. Workmen, on the other hand, are less sensitive—probably because they are organised in unions, and not only find the sense of union inspiring, but are privileged to have leaders who admire their heroism in adversity and constantly encourage them to practise it; so that, in contrast with the gentlemen, they even come to gain confidence out of breaches of their contracts. In suchwise enterprise regains courage, trade revives, and prosperity returns. On these grounds we find that Mr. Lang's policy runs counter to the larger interests of his State and the Commonwealth, and that in persisting with it against the laws of the Commonwealth he has disqualified himself under the Constitution from holding Ministerial responsibilities in future." . . . After that mental effort—Refreshments! And one can see their solemn Lordships relaxing a little later together with bankers and bishops over tables at the Constitutional Club, where Constitutions are compounded and cooked.

But even if this digression is fantastic, and Mr. Lang cleared both hurdles, there is nothing to stop the Commonwealth Government from declaring the race itself invalid. While Sir Philip Game was taking time to consider how many new Legislative Councillors he could allow Mr. Lang to have the Commonwealth Government could nip in and pass an Act declaring his credit-policy illegal. After what they have already done who will say that they wouldn't do this? And when they did Mr. Lang would be exactly where he is now, faced with the alternatives of dropping his policy or else leading a volunteer army against the mercenaries of the Australian Credit-Monopolists.

Again, suppose we dismiss this supposition also. Then we hark back to the period between when the election was won and the referendum held. We say that during that period the bankers would hammer the exchanges and produce other frightening market phenomena—all of which they would sedulously point to as proofs of the danger of what Mr. Lang was going to ask them to say "Yes" to. In such circumstances nobody but a trained Social-Credit advocate or a personal well-wisher of Mr. Lang, could be expected to say "Yes." And apart from this poisoning of the issue, the referendum itself is a bankers' ramp even if conducted fairly, and particularly so in the existing circumstances. The issue is ostensibly political but essentially financial. The population would have to decide about the political change by reference to its financial purpose. If they listened to any arguments they would be as wise at the end as is the ordinary reader of a provincial British newspaper who follows a controversy between critics and defenders of the Douglas Analysis. As we say, Mr. Lang would be able to count on nobody but credit reformers and his own admirers. It is not for nothing that some of the London newspapers see in the Judicial Committee's decision the end of all danger of "unsound" legislation being enacted in New South Wales.

Now, it is a long, long way from Australia to England, and it is a curious and amusing coincidence that just when "Langism" is regarded as finished in Sydney it breaks out in Coventry. The Legion of Unemployed in that city—who have come to be known as the "Greenshirts"—are backing a proposal formulated by their C.O., Mr. George Hickling, in consultation with expert advisers, that Coventry should issue municipal currency. Their activities have succeeded up to the point of having persuaded the Mayor to put the proposal down on the

agenda for the next meeting of the Coventry City Council. This is reported in the *Birmingham Gazette* of June 2 in a prominent double-column spread of six inches depth. The tone of the report is not flippant, and it gives a fair account of the reasoning on which the Legion base their proposal. It makes no comment on the merits of the scheme except to point out that before Coventry could act as its own minting authority a petition for a charter would have to be sent to the King. The Legion hold that "the cost of Coventry's social services could be financed successfully on the security of the city's credit without borrowing or taxation." Municipal undertakings, they point out, though assets, "cannot come into being until the monetary value they represent has become a debt, with the citizens as debtors." Hence "the community is called upon to pay tribute on its own property, merely by virtue of its possession of that property."

The idea is particularly appropriate to bring forward in Coventry, for that city was once the seat of a Mint, and to-day metal-stamping is an important part of its activities, or what is left of them. So the scheme would start by giving an order to local capital and labour, and to that extent the proposal will win sympathy. It is a matter of relative unimportance whether the actual benefit to Coventry of running the scheme would attain large dimensions in terms of relief to ratepayers: what is important is the educational opportunities that will arise out of the focusing of public attention on the Council's discussion. Unlike Members of Parliament, Councillors live among their constituents, and are liable to be waylaid, buttonholed, and examined at any time on what they say and how they vote in Council. On this question of coinage they will instinctively turn to the bankers for advice, but they will be quickly disillusioned if they think that all they've got to do to dispose of the subject is to quote bankers' arguments. They will be wise to remember that behind the immediate sponsors of the scheme, and supporting it as a move towards a wider objective, there are people whose knowledge of the credit-system, and whose competence in debate, are at least equal to those of the best man that Threadneedle Street can produce.

In order to forestall the possible miseducation of Councillors by the local financial wiseacres we will set down a table of points which together constitute, not an exposition of the Coventry scheme, but a background of fact and reason against which its alleged merits or demerits will have to be tested. One misconception in particular we hope to eliminate by this means, and that is the notion that in order to prove the Coventry scheme is sound and workable the Legion has got to show that it will "fit in with" the larger financial customs and activities going on inside and outside that city. Quite the reverse. Whoever understands and accepts our Twenty-one Points should see that any monetary experiment likely to improve on the results of the existing system cannot possibly fit in with it. In the nature of the case it must be something different from what has been tried before. Judgment on large issues must go by experience of small ones. A half a loaf under an unsound scheme is better than no bread under a sound one. And as an introductory warning against trusting the opinion of authority on "soundness" let us say that the orthodox banker's views are merely reflections of inherited instincts. He is like our dog, who turns round two or three times before he lies down. His primitive ancestors used to do the same, but with reason. Some say that the reason was to nose round for enemies; others that it was the movements made when flattening down the grass. Whatever the reasons were they do not apply

to our dog. But he goes on doing it just the same. So does the modern banker. He goes through the same performance with money in this age of potential plenty (attested by permanent over-production) as his ancestors did in the far-off times of potential scarcity (attested by occasional famines).

So now on. Take no notice of him.

1. All the money in the possession of the public
2. has been created by the banks
3. at no cost to themselves or anybody else.
4. This money consists of currency notes manufactured by the Bank of England and chiefly used by the working-classes; and cheque-credit manufactured by the Big Five Banks and chiefly used by the richer classes and by business enterprises. The cost to the banks is simply the cost of printing and book-keeping.
5. All money starts by coming into the possession of the banks from nowhere.
6. The ways in which it comes into our possession are through the action of the banks in (a) lending it; (b) investing it. In principle the banks' investments are loans, because they are in types of securities which can be readily turned back into money.
7. In principle, then, all money in circulation is lent money.
8. For every £1 somebody has got without owing anything to the banks, somebody else owes £1 to the banks without having the money.
9. So, if the whole population were to pool their possessions of money and add up their debts to the banks, the two amounts would be equal.
10. Thus the community, taken collectively, does not and cannot possess money of its own or in its own right.
11. This is not, or need not be, an evil; because people are not dependent for their living on money, but on the things which are made and distributed by means of using money.
12. Thus, if a bank lends A £10, and A hires B to make something for £10, it does not matter that A and B together owe the bank all the money they possess, so long as they are able to share between them the things made by the use of the £10, by the time the bank gets the money back.
13. People work for goods; and if assured of a continuous supply of these they do not need to accumulate possessions of money in addition.
14. Since money issuing from the banks is costless there is no limit to the amount that can be issued.
15. There is only a limit to the amount that need be issued.
16. The question whether, at any time, more money has been issued than is needed, or more needed than has been issued, is a matter to be decided not by bankers upon financial theories, but by the public—or their representative institutions—upon observed economic facts.
17. For example, if we know that we can make 200 things, are making 100, and need 200; then whatever quantity of fresh money is required to raise the production to 200 can and should be issued.
18. The essential precaution is not to limit the quantity of money as such, but to apply a method of using it by which you produce the results aimed at.
19. That method has been discovered. It consists in using new credits to finance a reduction in retail prices to the point where the collective personal incomes of the public can buy all the products ready for sale at any given time and in any given quantity. (Its soundness and feasibility can be demonstrated to anyone competent to understand the argument—by which is meant experts who understand the working of the existing economic system from the inside—e.g., the high financial advisers of the Crown.)
20. It is now possible to increase the issue of new money, to expand trade, and to distribute more goods to the public, while concurrently lowering prices.
21. The principle can be described as that of eliminating inflation—that supposedly insuperable obstacle to trade expansion and personal prosperity.

The logic of every kind of grievance now demanding attention anywhere in the world points unerringly to the need for more purchasing-power. And the outcome of a denial of that need must be physical violence. No agitators are required to bring it about—the condition of society will do it spontaneously. Civil war is threatening in Germany

## Why Not Budget For Surpluses?

The announcement by the Press last week that the Government contemplated cutting Budget expenditure down by £100,000,000 gives rise to a question of principle in respect of the balancing of Budgets. The question can be posed in the form of the following proposition: that a Government shall be entitled to budget for a surplus, and to control the dispensing of that surplus according to its own wisdom. Let it be clear that we are not seriously making this proposition as a suggested policy, for the obvious reason that under the present financial dictatorship the wisdom and choice of the Government in dispensing of its surplus would be inspired and imposed by the bankers. As a South African correspondent mentioned last week, the statement was made that any sound financial scheme was not worth taking the trouble to bring into force because the effort would be frustrated by the political corruption of any conceivable government in power at any time. The word "corruption" is rather strong and only conveys a small part of the truth. The whole truth is that although there might be a certain amount of deliberate cheating on the part of Government ministers and officials, this is nothing in magnitude compared with the frustrating influence of pure ignorance in Government circles. As Shakespeare might have put it, there is no damned error that finance commits which will not be blessed by all the noble brows among the ruling classes. In fact, to-day, this kind of ignorance, or innocence, is the passport to ennoblement. Wisdom is left off the panel of candidates—and that is the answer to people who come along to Social Credit advocates asking them: "What authorities can you quote as approving of your scheme?"

But now referring to the proposition above formulated, and discussing it dispassionately, and perhaps academically, it does not seem unreasonable to suggest that in view of the awful horrors which we are told to associate with budget deficits there should be some insurance against these horrors by means of budget surpluses. Why should not the famous Micawber deficit be forestalled, or obviated, by a Micawber surplus?

It will be pointed out that in the past Chancellors of the Exchequer have got surpluses. But that does not meet the second part of the proposition laid down, viz.: that the Government should be able to dispose of any surplus as it likes. What happens is that the surplus automatically goes to the reduction of debt. This means that bankers grab the proceeds of over-taxation—and go on strike directly there is under-taxation. Even in the last Budget figures, although there was not a surplus, the returns of taxation exceeded expectations to the extent of enabling the Government to take several million pounds less out of the Sinking Fund than it had anticipated doing and had got the assent of Parliament to do.

While from a certain point of view there is no practical object in a Government accumulating Budget balances instead of handing them over to the National Debt Commissioners it would make a vast difference in respect of book-keeping; because the money the Government controlled would be recorded as money somewhere, and whether distributed or not would be seen to be at the disposal of the community. In the other case no similar record would exist in the books of the banking system because of the automatic cancellation of money repaid to the banks (which in principle is what happens when National Debt is paid off).

The reduction of debt is of no advantage to any person. A holder of a, e.g., War Loan who wants his money can sell his holding in the market. The present prices of Government stock afford presumptive evidence that there is no rush by holders to

international war in Europe and the Far East: ten thousand war veterans are commandeering transport and converging on Washington to demand the "Soldiers' bonus": there has been grave rioting in the most orderly of our Dominions, New Zealand; and last week Norfolk farmers stopped tithe-charge auction-sales by force and drove off the auctioneers. On all scales and in all directions the hardening of hearts at the top is being answered by the clenching of fists below. There is but one thing left for lovers of peace and concord to do to avert catastrophe, and it is to study sympathetically any proposal which is directed to modify the existing system of finance. The Coventry scheme is modest in dimensions, and by no means complete in design for producing far-reaching permanent prosperity; but it opens up a definite field of investigation through which citizens in Coventry (and other places) will arrive at a realisation of the nature of the whole economic problem and its final remedy.

As for the sponsors of the scheme, they will do well to rub up their Australian history and expose in advance the ramps which the bankers can and will engage in to defeat its adoption. They will warn without arguing; and if their warnings are disregarded they will act without speaking. We hope that the forthcoming discussion will disclose the state of Coventry's finance, particularly as regards the size of the Corporation's debt and the collective amount of its expenditure on wages and salaries, plus disbursements to local contractors. We want to get a rough account of how much of the money raised in Coventry is re-spent in Coventry. Whatever it is, it will show a large outflow of money from Coventry to elsewhere. What is seen true of Coventry will be seen true of every other city and town in England. Hence "Municipal England," so to call her, will be seen to be running at a continuous financial loss as regards the personal incomes of her rate-paying citizens. Then the question will arise: Is that loss made good by a compensating personal profit accruing to her citizens as taxpayers? To ask the question is to provoke laughter. Allowing everything for the Government's disbursements of salaries and wages, "Municipal England" is short on balance. Practically half the expenditure of the Budget is for debt-service, and practically none of that expenditure finds its way into the municipalities. It is taken by the banks and insurance companies and added to their reserves.

This discloses the logic of the modest scheme propounded for Coventry. The proposed issue of a Coventry-coinage is the first short (and therefore safe) step towards the larger objective of Coventry-credit or, more accurately, of a decentralisation of the London bankers' control of all credit. The striking of a few coins will not do much, but it will signify a great deal. It will signify Coventry's right to replace deficits in local credit by local credit of her own creation. Whatever Coventry Corporation stock is valued at by the outside financial institutions which hold it, that is the minimum valuation of the real-credit of Coventry's citizens, and—with the safeguard against inflation alluded to—Coventry could legitimately and safely create credit for local purposes up to that sum.

### Rewards in the Future, as Usual.

One of the Dartmoor convicts serving a sentence of fifteen years was granted a remission of five years in recognition of his act of courage in coming to the aid of the warders during the rioting at Princetown. The remission, however, will not take effect for another ten years. Why not discount it and give the fellow a year's holiday now?

realise their holdings, i.e., to be paid out either by the Government or anybody else. It is a familiar feature of certain loan-transactions that the borrower has to contract *not to offer repayment before* a specified date, or, should he do so, to indemnify the lender for what is called the "disturbance of investments." And generally, to the extent that Government Debt is privately held, and relied upon to furnish the holder with an assured and continuous income, there is no demand for repayment. The educational policy of the banks is to disseminate the notion that the whole of the Government obligations are privately held in the above way. If this were true it would constitute an argument, not *for*, but *against*, reducing the Debt. But it is a ninety-per-cent. lie. As against every £100 due to holders by the Government there is probably £90 due by the holders to the banks. Moreover, it is probably true that in respect of £80 of the £90 the holders are actually the banks who owe themselves the £80! Nominally, of course, the insurance companies would appear as the largest holders, but these companies are simply a branch of the banking business—a sort of repository for bank property, the valuation of which is put forward in the published accounts as the "savings" of policy holders. Critics need not waste time adding up the published "resources" of large financial institutions in an endeavour to disprove our statement, because the valuation of banks' holdings of Government Debt is arbitrary and secret, and, if based on the true cost to the banks of acquiring them, would be correctly recorded as *nil*.

Assuming a figure of, let us say, £700 millions (out of £7,000 millions) as *bona fide* holdings by persons who have paid down their money to that amount to acquire them, that is the utmost sum that the Government could conceivably be called upon to discharge, or to *prove itself able to discharge*—which is the same thing, as the bankers would have to agree on their own doctrine that "wealth," "credit," or "prosperity" depend on "public confidence."

The difficulty is that the banks, by spreading the lie that the £7,000 millions is privately held as above described, have created the popular illusion that (taking interest as 5 per cent.) the safety of *bona fide* holders is undermined unless the Government collects £350 millions per annum, whereas in actual fact all that is necessary is £35 millions.

This brings up the bankers' argument for debt-reduction, namely the *burden of the interest*. They say, and truly, that it is a general burden borne by the whole community, including, of course, holders of Government Debt; and to that fact they ascribe the stagnant condition of trade and employment. But inasmuch as this is true, the injury does not arise from the fact that personal incomes are depleted by taxation to the amount of £350 millions, but from the fact that only £35 millions is redistributed as income. The burden lies in the net abstraction from the communal purse of £315 millions.

It will now be seen that the so-called vital necessity to balance the Budget on the £350 million Debt-Service level really covers a process of concealed deflation. And yet you have asses like Horne and others in Parliament hee-ing for Budget-balancing and haw-ing for reflation in one and the same bray—trampling down the carrot-field in search of a carrot.

Our analysis shows that the Government, by raising, as it does, this £350 millions is in reality raising a Budget-surplus of £315 millions; and the fact that it is a surplus would be proved if the Government were to call upon every claimant for interest to pass a means test, by which we mean, to prove that he bought his holding out of income and depended on the interest as a means of income—that the payment or non-payment of the interest would be a direct and immediate gain, or loss, as the case might be, to him personally. If this test

were imposed—and let the legions of unemployed listen carefully—all those £315 millions of claims would fail. The Tribunal would be faced by an endless stream of top-hatted sombre gentlemen made in the image of Mr. Dombey who each would say: "I appear here on behalf of *Others*, Amen." And the answer would be: "Come off it; and go and send the 'others' along—we want to have a look at them." But the "others" would never appear—they do not exist—they are a myth.

The Government may be considered as an official financial operator on behalf of the community. It dispenses money in two directions—"A," incomes to public servants; and "B" payments to contractors for goods and services. The total expenditure of the Government is expressed by A + B. According to orthodox financial theory as expressed in criticisms of Major Douglas's A + B Theorem, the "B" expenditure of the Government is income to individuals in the same way as the "A" expenditure. Therefore the total expenditure of the Government represents the distribution of personal incomes. The taxes raised for this purpose represent deductions from personal incomes. Therefore the amount of money represented on both sides of the account may be of any dimensions without altering the collective financial resources of the community. So orthodox financiers must explain why heavy taxation should be a "burden," and why the relief of the taxpayer would reduce that burden. Otherwise it would be demonstrable that from the point of view of general financial prosperity it would not matter if the Government took the whole of the income of the population in taxes. Any objection would not be financial, but political, in the sense that it would be the Government and not the individual who would decide the destination and the purpose of the community's expenditure, and it only remains to be added that this is precisely the control which passes over to the banks when Budgets are balanced on the present basis. The banks' assistance on receiving from the Government the £315 millions is because if it remains in the hands of the taxpayer or the Government the initiative in the use of the money would remain there too. One practical consequence of this might be that a Government representing the interests of Great Britain might have its own views as to whether it would invest any of these £315 millions in the business enterprises of foreign countries in keen competition with home manufacturers.

## The Vote and the Dividend.

By Hilderic Cousens.

Why do such a large percentage of voters go to the poll at General Elections? Common observation, common memory, and common reflection should unite in impressing the voters with the general futility of their voting. When one thinks of the multitudinous obstacles between the putting of an X on a ballot paper and the realisation of any of the vaguest wishes of the voter, one might conclude that this frequent triumph of hope over experience is but one more proof of the folly of humanity. Even if the candidate is neither a dead-head nor a nit-wit, and if he gets elected, the chances against his having the slightest influence on what the Government will try to do are almost overwhelming. And that although we reject the attractive theory that in any affair of importance the House of Commons is not simply a glorified office-boy with an antique outfit of rubber-stamps. These considerations apply to other large-scale concerns with an alleged democratic electoral mechanism, such as the London County Council, the Trade Unions, and trading companies with widely distributed shares. But in these there is usually much less enthusiasm on the days for voting, so that

much smaller proportion of people take an active interest. But apart from any restrictions from outside on the matters which they may manage or interfere with, all such bodies become oligarchical from the mere mechanics of their constitutions.

The popularity of this ritual of national voting springs from the aspiration, kept somewhere in their souls by most citizens, of being free, independent, and worthy in their own and other people's eyes. For most people the vote is the one and only hallmark which gives them an air of having a say in their own fate. It is the symbol of importance, dutyfulness, and intelligence. It is the token of social co-operation combined with free consent. Such, I fancy, is the secret of the continued success of the horn-swooglers and rabble-rousers, who operate in those lands where Parliamentary institutions are in vogue.

Of a Dividend-for-All we can at once assert that it also is a symbol of the citizen's importance, dutyfulness, and intelligence. It recognises the first; it depends on the others. For, unless the citizens in general do their duty by one another and apply some measure of wit to the fundamental affairs of life, there will be no dividend to get; whereas they may mark ballot papers till they get writer's cramp without it bringing them or their fellows anything but a speculative increment of spiritual pride. The more sense and social virtue, however, they manage to realise under a dividend system, the better will the concrete results become. These results are not, of course, merely an increased ability to buy the latest model of a radio set or the substitution of new wool for shoddy in one's suits, but include less calculable but equally appreciable goods like greater leisure, healthier and longer lives, better temper, and wider interests. There are plenty of places in England where life is so dull that romance is sought in a habit of pointless scandalmongering by the middle classes and the nursing of petty grievances against neighbours among the poor. This sort of thing seems inevitable in some degree, but we should not therefore be blinded to the causes of its excess.

At present there is no criterion which can be easily applied to the state of the nation. The politicians and spell-binders are wont to exhibit collections of figures which purport to show its health or disease. But the collections most in fashion are precisely those which prove nothing. Statistics of imports and exports, of unemployment, of capital issues, of the Budget, of savings, of the output of coal and iron, of Stock Market prices, either throw no light at all on the question, or can, with as much or more reason, be construed to prove exactly the opposite of what they are published to prove. In the diagnosis of the National Health there are two fundamental questions. Is the population getting more and more of the things it wants on terms easier and easier to itself? Is it prejudicing its chances of continuing to get them over a reasonably long time in the future? The second is as important as the first, because there are plenty of instances, the United States and China for examples, where the well-being of the moment has endangered or destroyed the well-being of to-morrow.

To answer these questions is not the easiest task. But as things go, a brisk market in shares, a reduction in the Budget, or an enlarged export of coal is quite likely to indicate an increased waste of humanity and materials. If, on the contrary, we have a dividend based on the twin principles of economic exploitation and the conservation of resources, it ought, in the absence of earthquakes and such untoward evils, to increase, as reckoned in goods, with any increased elimination of current and prospective waste. It should function as a symbol, a measure, and an instrument of social co-operation.

## Theatre Notes.

By John Shand.

### A PALACE OF TRUTH.

"... I'm a good husband—as husbands go. I love my wife—but still—you understand—Boys will be boys. There is a point or two—Say two as being nearer to the mark—On which I do not altogether care To stand examination by my wife. Perhaps I may have given out that I've Been dining *here*—when I've been dining *there*—I may have said 'with him'—when 'twas 'with her'—Distinctions such as these, good Gelanor, Though strangely unimportant in themselves, Still have a value, which the female mind's Particularly quick to apprehend..."

—W. S. Gilbert's "Palace of Truth."

Although the popularity of the Gilbert and Sullivan operas is unabated, I doubt whether Gilbert would be known to-day to any large number of people without the help of Sullivan's music. His "Bab Ballads" would still, of course, be read by some. But his attempts to write on his own comic plays in verse were not considered very happy even by his contemporaries: no one mentions them now: certainly no one would try to persuade any manager to revive them. They do not read well. The lines I have quoted would not, I believe, persuade any reader to rush to the nearest bookshop for the play; and I have copied them here only because Mr. J. B. Priestley's "Dangerous Corner," now being performed at the Lyric Theatre, reminded me of Gilbert's comedy in which a king invites his queen and courtiers into a palace where everybody except himself is compelled to utter his inmost thoughts. Mr. Priestley has made use of the same device—a device which is at least as old as the Arabian Tales—and has used it to better purpose than did Gilbert. He has taken a group of people, all banded together by the ties of marriage, or family, or affection, or business, and placed them for a short time in a palace of truth, an enchanted room where the comfortable lie grows pale and spectre-thin and dies, but where the unpalatable, the revealing spirit of candour waxes fat. The room is none the less an enchanted one because it looks, and indeed, in all other respects is, exactly like the room you would expect to find in a house belonging to any moderately wealthy and cultured family. The persons are none the less interesting—they are, of course, more interesting for being everyday characters instead of comedy kings and queens; especially as the author has quite clearly visualised each one of his dramatis personae, has given them nervous, individual speech, and has made extremely good acting parts for the able company which he and his producer, Mr. Tyrone Guthrie, have engaged.

The result is a most interesting play, essentially dramatic in conception and executed with great technical dexterity; a play which could hardly fail to fill an evening with agreeable excitement for most intelligent playgoers, but which is obviously failing to attract the crowds who splashed and crowed in the bath of sentiment and good humour lately provided for them by the author of "The Good Companions." I won't say that I am surprised. You see, Mr. Priestley has done an odd thing—something, I fear, that is almost unforgivable to vast numbers of the great British public. He has taken upon himself to write a play when they are now become used to him as a novelist. (The stage adaptation of his most popular novel hardly counted.) Worse, he has written with maximum skill on a subject and in a mood quite different from the subject and the mood with which he first won the public's heart. He has failed, in short, to provide them with the same thing under a different title: which is very unmechanical of him, and not to be allowed. Worst of all, whilst

his characters are well observed and are presented "realistically," whilst the sins they severally confess to and the unfolding of which makes the plot of the piece, are all quite credible, yet the characters and what they have to say are compressed into a balanced design like that of formal comedy; and so the piece has a pleasing neatness which has immediately caused complaints about being "not realistic enough; no set of people could confess so much in so short a time," and so forth, complaints which must be none the less irritating for being completely beside the point. Still another reason for the evident unpopularity of "Dangerous Corner" is that although it is far from being what the box-office calls a gloomy play, and is indeed conducted in a manner which creates intellectual and forensic interest more than any strong emotional reaction, it is definitely satiric; and the author exhibits the very darkest sides of his characters quite clearly and without explicit disapproval. And English playgoers as a whole mistrust satire. When a satirist, as in the case of Swift, forces them by his gifts as a story teller to read him, the English take the unforeseeable, the quite exquisite revenge of blunting the edge of satire by not noticing it, and turn "Gulliver's Travels" into an excellent book for the nursery.

Again, Mr. Priestley has not taken a number of drunkards, thieves, whores, and politicians, and shown them in the aureate light of sentimentality to be foully misjudged, to be people with hearts of gold beneath their leaden exteriors: plays in which such transformations are effected are invariably voted "sweet." He has taken a group of apparently respectable people of the upper middle class, people with nice clothes, nice manners, nice speech, nice incomes; and each one of these people in the cold light of mutual cross-examination is demonstrated to be little better than one of the wicked. And this is not nice at all. Moreover, when the dramatis personae have finally made themselves aware of the lies and deception and worse to which they have all contributed; when they have respectively confessed either to homicide, theft, perjury, fornication, and in general to having given out that they had "dined here with him," when they had "dined there with her," they still continue to look like, to talk as, even to appear to be, average members of society. This is not edifying. And when the last stool of confession has been occupied, when the last of many cats has been let out of the last of several bags, the author, by means of the technical device known as the "flash back," takes his sinners to the beginning again, and, so they then talk as before they talked until that crucial sentence is to be spoken which allowed the first cat to peep out its head and mew. But this time the sentence is not spoken, the dangerous corner is taken—with a slight skid—but taken, and these respectable people pass quietly on to a normal evening's chat. This is as much as to say: "There but for the grace of God go we," which is very disconcerting.

Oh, yes. I quite understand why it is at present fairly easy to walk into the pit of the Lyric Theatre. But that is all the more reason why you and I, reader, should take the opportunity to enjoy a good play at a reasonable price, and in comfort, before it has been withdrawn. By doing so at once we may give it quite a run. On the night I was present the applause was of that genuine quality which always brings a smile, quite different from the usual grimace, to the lips of the bowing actors. The actors of this play are Mr. Richard Bird, Miss Flora Robson, Mr. William Fox, Miss Marie Ney, Mr. Frank Allenby, Miss Isla Bevan, and Miss Esme Church, and I clap my hands very hard for all of them. I have purposely avoided any attempt to give a summary of the story, which is told in three

brief acts—acts so shortened by compression that the piece is performed in less than two hours. Those hours do not, in my opinion, hold a dull minute. And for those who must have value for money in point of time, whatever the quality of the show, there is an excellent curtain-raiser in the shape of Miss Elizabeth Pollock, who continues to give her adroit imitations of the voices of some well-known actresses. I italicise "voices" because, having listened to and watched Miss Pollock a great many times, I begin to wish she would freshen my enjoyment either by enlarging the number of actresses in her repertoire or by trying to imitate their gestures and movements as well as their vocal peculiarities. At present Miss Pollock has almost exactly the same gestures and movements for all her victims.

## The Films.

### Murders in the Rue Morgue: Capitol.

Hollywood's attempts at "horror" films are singularly unconvincing, and this machine-made picture is even more lacking in any real thrill than its stable companion, "Frankenstein." It is a puerile affair, which bears no visible resemblance to the Edgar Allan Poe story on which it is alleged to be based; is completely lacking in atmosphere or interest; its studio-built scenery bears no more resemblance to Paris than to the North Pole; the acting is mediocre throughout; and verisimilitude is not aided by the Iowan accents of the players. As for the story, it is clotted nonsense, and is not made any better by infusing a sex element in the shape of an infatuation for an uninteresting young woman by Dr. Mirakle, the principal character in the film, who is not to be found in the pages of Poe. Poe, who cries out to be filmed, still remains among the great unfiled, and this picture is yet another of the screen's many lost opportunities. Nothing will presumably teach Hollywood that thrills or terror cannot be evoked to order, and that a woman's screams are not enough to send a chill down the spine. And although Bela Lugosi, as Dr. Mirakle, succeeds in imposing his personality, his playing is stagey and old-fashioned. Incidentally, it would also appear that nothing can teach Hollywood the correct pronunciation of "Pierre" and "Monsieur." The only redeeming feature of this production is the superb photography of Karl Freund, but it is regrettable that he and Robert Florey, who directed, should be associated with such rubbish.

### Letty Lynton: Empire.

It is possible that an American producer will one day discover that Joan Crawford is something more than a promising actress, and that she deserves something better than a continuous round of impersonations of the erotic daughters of the Idle Rich. The first half of her new picture is more or less the mixture as before; Letty, having yielded her virtue (technical term) to a Dago, wearies of him, South America, and herself, and catches the first boat to New York, where an unsympathetic mother awaits her. On the boat is, of course, the inevitable Nice Young Man. They fall in love, and become engaged, but the Dago, who arrives in New York before them—by aeroplane, if I am not mistaken—has the Letters. In strict adherence to formula, Letty must visit him that same night at his apartment, after vainly appealing to his non-existent better nature. But she will rather die than Return To His Arms, and, in case her second appeal for the Return Of The Letters is fruitless, she thoughtfully provides herself with a bottle of lysol from the bathroom cabinet for the purpose of hara-kiri. The Dago presents her with two resounding wallops, which would knock out anyone but a film heroine, but they merely cause Letty to decant the lysol

into her champagne, which the Dago conveniently drinks, and the poison has the effect it usually has on the screen.

So far, so bad. But after the lysol episode the picture, which is directed by Clarence Brown—who made "Hallelujah!"—undergoes a sudden and unexpected reformation. Admirable use is made of the suspense motive; Letty carefully gathers up her gloves, and returns for a couple of photographs of herself that are amongst the adornments of the Dago's apartments. Will she forget her goloshes? She does, and leaves an invaluable clue for the District Attorney, who sends a detective for her next morning. This scene is excellent. The compromising letters have been discovered, and Letty is headed straight for the dock, if not for the electric chair. Then the young man speaks up; Letty was with him last night. Flat disbelief of the District Attorney, but the mother, whose icy reserve of years suddenly breaks down—a clever touch, this—supplies corroboration. Further corroboration by Letty's maid. As an example of spontaneous simultaneous perjury, this has our Divorce Courts beaten to a frazzle. It beats the District Attorney, who, while obviously not believing a word of the evidence for the defence, realises it is useless to take the case into court, and is sentimental enough not to mind a bit.

Joan Crawford is excellent. So is Robert Montgomery as the young man, Lewis Stone as the District Attorney, and May Robson as the mother. Nils Asther would have been better as the Dago if he had been less the villain of melodrama, but the direction is quite possibly responsible for his interpretation. I enjoyed the second half of this picture very much.

### "M": Cambridge.

If anything could teach Hollywood how to evoke the atmosphere of the terrible and the macabre on the screen, this new film by Fritz Lang should do it. "M" defies any conventional attempt at labelling. Based on the Düsseldorf murders, it is emphatically a film with an idea, that of the dualistic sexual maniac who kills under external compulsion, as he himself describes it, kills in a mood of psychic exaltation in which he is temporarily irresponsible for his actions, regrets his murders when in a saner mind, and yet boasts of them in letters to Press and police in which he announces his intention of finding more victims. And to this psychological problem is tacked an ethical problem—what should justice do with such a man?

Emphatically not a picture for the average "fan"; emphatically, also, one for all who take the art of the screen seriously. I would not call this a great film; but I am tempted to call it epic, in the real sense of that much-abused word. It is too long; some of the sequences are unnecessarily protracted; and the use of visual counterpoint is overdone. It is also not homogeneous; Lang has here combined his own methods in "The Spy" with the technique of the earlier German school that gave us "Mabuse," "Caligari," and "The Street." But these are the defects of its qualities.

"M" is essentially cinematic, a virtue worth stressing at a time when both English and American producers have still so often to be reminded that the first duty of a motion picture is that it shall have movement. The camera reverts here to its proper and pre-talkie role; it pries into corner, shadows the players, depicts the traffic of the crowded highway and the solitude of the deserted street, creates atmospheric effects by means of angle shots that are not introduced for the sake of effect, but because they are necessary, and therefore just right. And camera, director, and players between them build up an atmosphere of tenseness, suspense, emotion—of reality. This picture is indeed a direct challenge alike to the synthetic products of Hollywood and the cardboard figments of Elstree.

The showing of "M" at the Cambridge demands a word of explanation. This theatre has been taken for the presentation of a film programme similar to that given by the Academy, whose very successful organiser, Elsie Cohen, is also in charge of the new venture. The Academy has already given us "Westfront, 1918," "The Blue Express," "Kameradschaft" and "Mädchen in Uniform," and the choice of "M" for the inauguration of the Cambridge as a picture theatre places filmgoers under yet another debt. As the policy of the Academy is to be unchanged, Londoners now have two theatres devoted to the regular showing of the world's best films. DAVID OCKHAM.

## Happy When They're Hiking?

By John Hargrave.

(This is to draw attention to the "Here and Now" Pamphlet, No. 6, entitled *Warning to Hikers*, by Mary Butts, 36 pages, published by Wishart, 1932, price one shilling.)

The Cerne Abbas Giant outlined in furrow on the hillside hates them, hates them all.

The slender beech spraying April green in May—emerald—whisper against them.

The strangers, the queer people, have come out from the towns—"hiking." They return to Nature, they come back to the land—with giggles and chewing-gum. Holding hands along the footpath-way.

Mary Butts has been out alone "hiking" in the Northumberland hills, on the moors above Chesters, near Tower Ty. Last summer she went. And there she saw "through the mist travelling in torn veils" a "hiking" party—"youths and their girls from Newcastle or South Shields or Gateshead." She says, "I had seen such parties before, going out noisy or returning drenched and sullen, but not before on the high moors."

Mary Butts utters a *Warning to Hikers*. I wish I had done it myself.

"Hikers" beware! . . . in the deep woods. Take care! . . . on the high moors. Quite useless. They hear no sound. Try shouting: "Get back to the towns! Back to the streets! There are forces here that are dangerous to you—back, back, get back!" Deaf as beetles. They hear nothing.

I had something to do with this outgoing of townfolk. A good deal to do with the spread of "hiking" in this country. Do I repent? Not I. Crowd—"hiking," like community singing, is part of the progress of a disease—of a people ill-at-ease. And the cause of their distress is purely economic. The towns and the shape and colour and movement of the towns, and of the people in them, are thrown up by an economic system working backwards, from Life to Death instead of from Death to Life.

Why did "hiking" become popular—suddenly? It was a new outlet, a safety-valve, for the serfs of an intolerable economic system. "Hiking," like the "Pictures," like the radio, like everything, was and is another little thrill—and it is cheap. It is a cheap thrill. All you need is an open shirt, a pair of shorts, and a rucksack from Woolworths'.

"Hiking" is an attempt of economically depressed people, of people born into economic serfdom, to get a little cheap joy into their lives. That it is joyless "joy" is something that does not come to mind. Atonic people do not know they are not "up to the mark." How can they? They have been told that "hiking" is healthy and enjoyable, and herd—"hiking" is the result.

"Hiking" is another form of frothblowing, and the song "I'm Happy When I'm Hiking" is only another version of the Frothblowers' Anthem "The More We are Together the Happier (or is it Merrier?) We will Be!"

"Hiking" is a pimple, or rather a nettle-rash, brought to the surface of the social system in an attempt to escape from and forget economic slavery. It is no use warning "hikers," and if they stay in the towns they are doomed.

"Hike" out from the towns they are doomed. Mary Butts never gets to grips with the economics of "hiking," and "hiking" as a symptom of economic dis-ease. That is why I said just now, I wish I had done it myself. Mary Butts has blown the gaff on "hiking," but she has not made an analysis of the trouble. You might just as well write a *Warning to Radio Fans*, or *Football Crowds*, or anybody—all of us, in fact; Mary Butts included.

Major Douglas has written a book "Warning Democracy," and that includes "hikers"—and goes to the

root of the matter. I want to draw Mary Butts away from her "dragon-green," her "luminous, dark, serpent-haunted." Warning to Mary Butts. Warning to the high intelligentia "hiking" alone—all, all alone—on Ilkley Moor bar t'at. Warning that you cannot fight with a pocketful of "wind from nowhere" against the forces of Finance. Beware—Steam Roller Working!

Will she face it? When her Sirens turn into factory hooters, wailing voices, calling the week-end "hikers" back to work? When the boat called Millions-of-Years turns into Miss England III., and the Book of Opening the Mouth is closed and put away?

"Hikers" in the woods. "Hikers" on the high moors above Chesters, near Tower Ty. "Hikers" everywhere—and nowhere to go.

The difficulty is (and it is always the difficulty with the few crystal-clear word-music makers, the supersensitive that have also an intellect) that Mary Butts can write. Just listen to this description of the "hiking" party on the moors:—

"They were a very long way from anywhere. Two thousand feet below were the enormous trees, the flowering grasses, the bright, quick rivers of the valleys of the north and south Tyne. We were above them, sitting on the top of the world. They drifted past, less articulate than the curlews, the girls treading over in their ridiculous shoes. An arm of the sun wheeled like a searchlight over the moor. A scarf of mist spun in and extinguished it. They seemed to take no notice. . . . Looking at them, I saw the pace of their slow scramble lessen as they crossed over below me to the right, to a rock face and a fall of scree. Into that most unfriendly hill-pen they drew, like sheep out of the wind; and like sheep they stood, turned all in one direction, more quiet than sheep. A mist blew across them, every minute it got darker, but once through the darkness the sun stood out with a terrible glance . . . and as I struck out, in an interval of the rain now beginning to pelt, in a moment of flying quiet, there was blown across to me a whisper of their fear."

If I were an editor I should not rest until I had Mary Butts writing for my paper, but I should not allow her to write one word until she had gone off again, alone, either into the quiet woods where no birds sing, or up on the tussocky moors where the curlews cry, with a copy of *Economic Democracy* and *Credit Power and Democracy*, and *Warning Democracy*, as "hiking" companions.

"An arm of the sun wheeled like a searchlight." To think that anyone could find those words—and not know. Or does she? No, she does not.

I have called this word-skill, this ability to find the phrase, the clear words that cut sound-shapes like a diamond-point glass-cutter, a difficulty. This difficulty is the gap between the song-singer and the thought-doer, between the poet and the engineer. It is not a wide gap; indeed, it is often no greater than the thickness of a spider's thread between the two. They are so near, and yet there is this break. But why a difficulty? Every man to his own job, they say. We do not want "the poet in the power house." The difficulty is that the poet is forced to sing of power and the power house, and his song can be so powerful—so powerfully wrong. Words—especially the singing words of the plainsong of prose—are powerful.

The song-singer takes the facts (must take the facts) and sings them into shapes of sound, sounds and silences that spell and bind.

Mary Butts is a song-singer—"An arm of the sun wheeled like a searchlight over the moor. A scarf of mist spun in and extinguished it." Mary Butts is a rare song-singer. No matter what she says, no matter what it might be about, whether "hikers" or horse-drawn vehicles, architecture, food or fashions, doubt, dynamos, or disease—no matter what the attitude of mind expressed (and that is in the flow, and is the flow, of every song)—we know that Mary Butts will sing high, sing low, and make the fine song, the flowing lay. She is a master of the clear word, the slow word, the fighting word, the word that opens, stretches, wakes, shouts; the swift, shafted word that wings and speeds, pierces, thuds and stands quivering, embedded; the word that hums like a spinning top and hums itself to sleep.

That is the difficulty, that is the danger. Mary Butts is a song-singer, but what is she singing? She is not incoherent. Her song has meaning. She is not merely making patterns with words. She is giving a warning to "hikers" in fine prose. I would read this writing for its music alone. It does not matter what it is about—and that is the danger, the spell and the binding.

For, stated bluntly, Mary Butts sees the forces of nature getting their own back on the herds of "hikers." She speaks, at the last, of "changes and transformations and

vengeances appropriate to the situation, to what has happened, unforeseen and in keeping, often strangely subtle and still."

That is her warning to "hikers." How smoothly, with what saga-magic the words form and re-form and move together. But the sense of it—? Listen again, towards the end, in the last pages of this pamphlet:—

"Last August I heard it suggested that the absence of last summer, when the flowering, gathering months combined in themselves the more disagreeable features of November and March, was no more than nature's hint to 'hikers' to turn home again. A hint to be followed up by a winter to be endured by bodies starved of their reserves of sunlight. Drastic? Unjust? Nature is both. Ineffective? Possibly, when in the spring—if the spring ever gets here—fresh hordes start out. Unnecessary? I think so.

"For once they have taken one step across the line of protection, the belt of urban needs and values each of them carry strapped tight about them, they will find themselves in a world as tricky and uncertain, as full of strangeness, as any wood near Athens. No friendly greenwood, fixed by poets; no wise gnome-tapped mountain; no gracious sea. *The dragon-green, the luminous, the dark, the serpent-haunted.* Will they face it? When the Sirens are back at their business, sisters of the Harpies, the Snatchers? When the tripper-steamer—her bows to the sun—turns into the boat called Millions-of-Years?"

Now here is someone, a fine song-singer, who, disliking herd-"hiking" and seeing clearly the futility and joylessness of it, has set out to warn "hikers." And the warning takes the form of trying to put the fear of the wild places into them, suggesting that the weather has gone wrong because nature dislikes these "hiking"-herds treading across her body, that if they go on "hiking" they will have to face all sorts of fey trickery—"The gobble-uns 'll get you if you don't watch out!"

The warning need not have taken that form, and should not have taken it. It should not because it plunges into fantastic nature mysticism, and thereby obscures and befogs, something that is as clear as daylight—but something that Mary Butts (I cannot help feeling) does not know, does not understand. That something is the something that sucked the people into the towns, and is now spewing them forth again as "hikers."

If Mary Butts will recall the old "counting-charms" as vividly as she was able to conjure the "wolf-fear" on the Northumberland hills ("I remembered that I was on the Picts' side of the wall, in the wolf-country and the country of little men who had much to fear from wolves. And I knew that until I had brought it to light, I had been living in the fear of a past age")—if she can feel again the counting-spell of One, Two, Three, the knotted string and the notched tally, the "something" will come clear. If that should happen, if the singing word should fuse with the uneven number—*Let no bird sing.*

#### NOTICES OF MEETINGS.

The first meeting of the Falkirk Douglas Credit Association will be held in the Temperance Cafe, Falkirk, on Thursday 9th June, at 8 p.m. All communications should be addressed to Mr. A. F. Stewart, 13, Carronside Street, Falkirk, Stirlingshire.

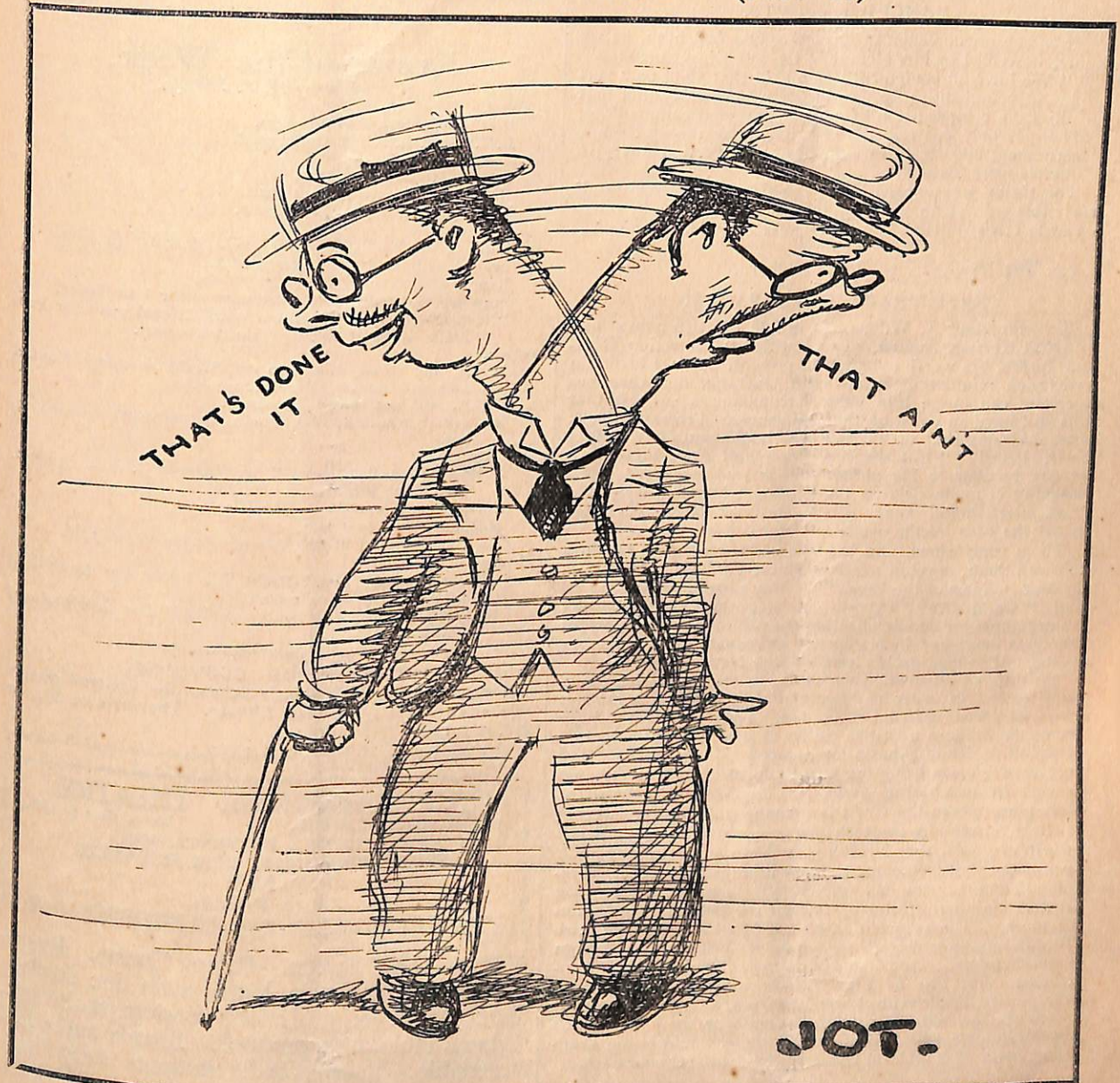
Major C. F. J. Galloway is giving a "course of three talks" on "The Failure of the Monetary System and the Remedy" in the Science Lecture Room, University of Reading, on Monday, Tuesday, and Wednesday, June 13, 14, and 15, at 6.30 p.m. each day. Tickets are procurable (gratis) from "Lectures," 25, Craven-road, Reading, or from the lecturer, 84, Boundary-road, N.W.8.

Heavy Woollen District and Adjacent Areas. Rally of Propagandists and Supporters of Douglas Social Credit Proposals. Cleckheaton, Saturday, June 25, 1932. 4 to 5 p.m. Assemble in Co-operative Central Library, Cheapside. 5 p.m. Tea. 6 p.m. Meeting to receive reports of individual and group activities and to consider future plans. Convenor, J. J. Taylor, Claremont House, Cleckheaton.

#### MAJOR DOUGLAS AT MANCHESTER.

We have been advised by two correspondents that the *Manchester Guardian* of May 25 contained a report of Major Douglas's Manchester address running to about half a column. It appears that the report did not appear in all the editions of that journal, and that is probably how its publication was overlooked, and the statement made by us last week that no report had appeared in the local Press. A later correspondent says that a report also appeared in the *Manchester City News*.

## CARTOON BY "JOT" (No. 6.)



### CURES FOR THE CRISIS

or

Hope Deferred maketh the Neck Crick.

(With acknowledgments to "Shell.")

### News Notes.

#### Banks and the Film Industry.

"Men who have the reputation of producing box-office hits have shifted from one company to another, but they have been hampered by the straitened financial condition of their companies and by the demands of bankers for economy. It may be a good generalisation that none of the production experts know how to turn out a really good picture that is not a costly picture, so that the experts have been confronted with the difficult task of 'selling' the bankers the idea that to make money they must spend money."—*The Times*, "The U.S. Film Industry," May 30, 1932.

#### The Intelligentia Waking Up.

"Let a man with a good business go to a banker for a loan, and he will be asked to give sound security for about double the amount of the overdraft, but let him go with an air of mystery and no security at all, and ask for a couple of million pounds, and the banker, child that he is, will

without a qualm or a question, give him credit for twice that sum. Hence Hatry! Hence Kreuger!"—From an article by Mr. St. John Ervine in the *Observer* of May 22.

#### New Zealand Finance Bill.

A message from Wellington, N.Z., in *The Times* of May 7 states that the Finance Bill confers powers on the Government to dismiss summarily any public servants guilty of "disloyal conduct." In plain English, it gives the bankers the power to interpret "loyalty" in any way they like, and to punish breaches of this "loyalty" over the heads of the Courts of Law. It is possible, under this Bill, for the bankers to declare such a thing as Miss King's recent public intervention into public affairs a disloyal act. It will be remembered (*THE NEW AGE*, April 7) that the Board of the High School in Dunedin, of which she is principal, passed a resolution condemning it as a "flagrant breach of trust," a phrase which can certainly be construed as connoting disloyalty. Miss King complained to the Board that she had been "condemned without trial." And that now seems the risk which every public servant will have to run in the near future.

## LETTERS TO THE EDITOR.

## FORCED EXPORTS.

Sir,—The phenomenon of forced exports has been, as we know, described by Mr. Hoover in the following words:—

"We have an equipment and a skill that yield us a surplus of commodities for export, for which we cannot usefully take compensation by way of imported commodities. There is only one remedy and that is by the systematic permanent investment of our surplus production in reproductive work abroad."

The theme was expanded in *The Times* "City Notes" early this year. Can any of your readers oblige me by references to other statements on this point by public men?

L. B.

c.o. THE NEW AGE, 70, High Holborn.

## FREE TRADE AND FINANCE.

Sir,—Professor J. W. Scott's article of two years ago (*English Review*, August, 1930), entitled "Protection Without Tariffs," is worth recalling at present, because his main conclusion reinforces Social-Credit teaching, and therefore speakers can quote him when circumstances suggest that this will have an effect on their audiences. Professor Scott, after declaring that Free Trade was fundamentally the right basis, added: "But the corollary of all Free Trade is a money peculiar to the nation that is free trading." His meaning is made clear in the context where he says that "an international money allows the least developed nation to set the pace for the whole industrial world."

These conclusions, and the line of reasoning he employs to reach them, dovetail neatly with the analysis you gave us in your "Notes of the Week" of May 12 (the "world-price" and "world-slice" exposition) and they also constitute an argument for decentralisation parallel to that which Major Douglas developed in his speech at Manchester on May 24 (published in last week's issue of THE NEW AGE).

He uses an illustration which shows that countries would only export in order to import if their respective moneys were free from external regulation. Thus a British railway company declines a British tender of £10,000 and accepts a Belgian tender of £9,000 for a supply of steel rails. The credit of £9,000 being (ex hypothesi) of no use to Belgium except for purchasing goods, and (again ex hypothesi) the only place where the credit is exchangeable for goods being Britain, eventually some British manufacturer sells £9,000 worth of goods, say, furniture, to Belgium. Professor Scott points out that in the last analysis it is the British furniture-manufacturer who has successfully competed with the British steel-manufacturer, and not the Belgian steel-manufacturer. The competition to sell has been between two British manufacturers, not between British and foreign manufacturers. And so he draws the general conclusion that in a Free Trade system from which the present credit-control was eliminated, trade competition would be internal and would take place on the level of each country's own standard of living: there would be no dragging down of high-level countries by low-level countries.

J. G.

## "WINGS OVER EUROPE."

Sir,—That Mr. Nichols and Mr. Browne had their reasons for having called by the odd name of Lightfoot the hero of their play is no reason why I should like the sound of it. One reason put forward by Mr. Nichols is that Lightfoot becomes "a Tyrant," and that "there exists a drama by a famous English poet, named Swellfoot the Tyrant." I have never heard of this famous poet, but I feel sure he cannot be any good.

The authors may have intended to write an ironic comedy, as Mr. Nichols, in writing to you, sir, may have intended to say that there exists a drama, named "Swellfoot the Tyrant," by Shelley. In my opinion, however, Mr. Nichols and Mr. Browne succeeded only in writing a play which belonged to the "thriller" category; and I therefore complained that the proportion of "talk" to "doing" was too large, especially as Lightfoot did most of the talking. My opinion was not singular. Mr. Ivor Brown, for example, my senior colleague on the "Manchester Guardian," quite clearly held the same view. He spoke of Lightfoot as "being altogether insufferable." "He had been given the most fearsome things to say. . . . It is rather hard on Shelley to mix him up with such a type of the truculent prig." Mr. Brown also was clearly of the opinion that the play, so far as it was good theatre, was melodrama. He spoke of "the victorious theatricalism of the third act, which is grand, lurid, noisy stuff."

If the characters in this play talked to any great extent in such phrases as "moral abyss of self-identification with the forces of Nature," "near-bankruptcy of benevolent op-

portunism to conditional faith," and so forth, I hope some readers may forgive me if I did not "follow the dialogue more closely."

JOHN SHAND.

## Events of the Week.

(Compiled by M. A. Phillips.)

May 28.

Rioting in many German cities.  
L.M.S. and L.N.E.R. traffic pool.

May 30.

Bombay rioting continues.  
Brüning Government resigns.  
War veteran riots in Washington.

May 31.

Bank of England still buying gold. (Further £2,000,000.)  
France withdraws gold from U.S.A.  
Lang's appeal to Privy Council fails.  
Stop-gap Government for Germany under Von Papen.  
"News-Chronicle" announces great Liberal push for Free Trade—aims at raising £100,000 a year.

June 1.

U.S.A. and Great Britain to call World Economic Conference in London after Lausanne.  
U.S.A. will not attend Lausanne.  
Ex-service men demanding bonus concentrating in Washington.

June 2.

Senate passes Revenue Bill to balance U.S.A. Budget. (Sales Tax included in this Bill.)  
Berlin Bourse to open on Saturdays.  
McKenna goes to Berlin.  
Bank of England buys a further £1,500,000 of gold.

June 3.

Failure of Anglo-Dutch-Soviet Oil Conference (cancelling previous premature report).  
Niemeyer appointed to Board of Bank For International Settlements.

## SCHEME FOR SCOTLAND.

Reprints of Major Douglas's Scheme for Scotland are on sale at the Credit Research Library. The price is 2d., or 2½d. post free.

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