

THE NEW AGE

INCORPORATING "CREDIT POWER."

A WEEKLY REVIEW OF POLITICS, LITERATURE AND ART

No. 2075] NEW SERIES Vol. LI. No. 7. THURSDAY, JUNE 16, 1932. [Registered at the G.P.O. as a Newspaper] SEVENPENCE

CONTENTS.

	PAGE		PAGE
NOTES OF THE WEEK	73	THE FILMS. By David Ockham	79
Professor Einstein's and Lord Ponsonby's anti-war strike-plan—"Space," "Youth," and <i>The New World</i> —Why is there not an Einstein-Ponsonby taxpayers' strike against war-service expenditure?		More mediocrity. The Forum Theatre's policy. "Sez You" department! The big drum.	
"REFLATION" AND BARTER. Editorial	76	NEWS NOTES. (Editorial)	80
"World-price-level too low"—What does this mean in terms of things?		REPLY TO W. J. BROWN. By "P. Class, Whitehall"	81
THE MYSTERIE OF BANKING. By Hilderic Cousens	76	<i>The Deepening Crisis.</i>	81
THE COVENTRY SCHEME. (Editorial)	77	REVIEWS	
THEATRE NOTES. By John Shand	78	<i>Psychological Exercises</i> (Orage). <i>The Missionary Menace.</i> <i>Shades Of The Prison House.</i> <i>What Are We To Do With Our Lives?</i> <i>The Method of Creative Evolution</i> (Bill). <i>The Doom of Gold.</i>	
Sir Galahad Swaffer! <i>Hocus Pocus.</i> <i>Men In...</i> <i>The House</i>		CORRESPONDENCE	
		Dorothy Sinclair. Anon. (The War-Loan Ramp).	83
		CARTOON. By "Jot."	83
		The Famous Oozlem Bird.	

NOTES OF THE WEEK.

The No More War Movement has incorporated a fourth dimension in its campaign to end war. The apostle of the fourth dimension is Professor Einstein, who, with Lord Ponsonby, is organising a new tactical move in the campaign—of which more presently. The nature of the dimension is not easy to define, but may be generally indicated by the word YOUTH—or rather by the *sound* of the word. Thus, the above Movement, in a circular issued to the Press about the June number of its official organ, *The New World*, announces that YOUTH has this month broken into the pages of this publication and is telling the world its opinions. Readers with a taste for occultism will note with interest that from May 19 onwards until the end of that month *The Times* was publishing letters, under the heading of "The Universe," arguing about the Einstein theory of Space. The Hon. Stephen Coleridge started the controversy by criticising the theory or its expression, and Sir James Jeans took the opposite side—after which Lord Olivier and several other public notabilities joined in. Was it accident, or design, that precipitated this debate just at that time? Which ever it was there is no mistaking the parallelism between the four-dimensional physics and the four-dimensional politics now being obtruded on the attention of the public.

We all remember the boy who defined a hole as *Nothing, with Something all round it.* And his father has probably conceived Space, when he has thought about it at all (which has been very rarely—for the concept, right or wrong, has not the remotest relation to his life on this earth), as an *infinitude of Nothingness with Something inside it.* And when you come to think of it, this is a sound, healthy, practical background against which to view the vital problems of life, for it is out of the Something that we are born, and back into Something that we return, and on the Something that we pass our existence. Space is *Nothing* in our conception because Space is nothing in our calculation.

When people start a public controversy about the nature of Space, they are diverting public attention away from the Something that matters, towards the Nothing that does not. Space is not infinite, we are told. That concept, we are assured, was born of senile physics—but the great discovery is born of juvenile physics. "Youth sure is the thing, bo! This ain't an old world any more, sir; it is a new world; and if you listen, sir, YOUTH will explain it to you." And so Youth is flocking into the pages of *The New World* to save us all—and how shall we escape if we neglect so great salvation?

Sir James Jeans, in the controversy referred to, said that nobody must expect to grasp the truth of the Einstein Theory by the evidence of his five common senses. We concede him the validity of this warning, but for that very reason we distrust the high-policy which encourages him and others to discuss the subject before a public who are generally incompetent to follow his reasoning, and whose assent to his conclusions could have no intelligible effect on their material interests or their social relationships. Tested by the criterion of the common senses and the common means of life—i.e., the economic frame of reference—Einstein, therefore, reflects the physics of Lotos-Land just as Dr. Nicholas Murray Butler does the philosophy of that other-worldly region. Few of our readers will fail to see that Butler and Einstein are twin tools of High Finance—noble disseminators of damned errors; and that the expressions, *Space* and *Youth* now being injected into the popular political vocabulary import nothing but the derisive cries of the famous vanishing Oozlem Bird.

"Oh, but Professor Einstein is doing something definite and intelligible," someone may remind us. So he is, we will admit. He is co-director with Lord Ponsonby of a movement called the "War Resisters' International." These heavenly twins (and the adjective is literally apposite) set out on Sunday, May 22, for Geneva for the purpose, in *The New World's* phrase, of "throwing down the challenge to

the Disarmament Conference itself." Their challenge contains the following passage:—

"... we believe the time has come for the peoples of the world to take the matter into their own hands by insisting upon complete disarmament within five years, and the immediate abandonment of the war method in any circumstances whatever. This must include:

The abolition of conscription.

The immediate cessation of recruiting and enlistment.

The immediate cessation of the manufacture of munitions and weapons of war.

"The peoples of the world must be ready to achieve these objectives by *personal and collective refusal to manufacture or to transport war materials, as well as by the refusal of military service.*" (Our italics.)

Now, whenever anybody publicly advocates the suspension of Parliamentary campaigning by the public, and their resort to direct action, we sit up and listen—the more so when the protagonists of this principle represent peace and good will and social order, and all that. For when the principle is thus registered, and thereby made respectable, the rightness or wrongness of extra-Parliamentary action now depends on the merits of the objective aimed at (moral) and the relevancy, feasibility and efficacy of the methods to be used (practical). Readers will be amused, by the way, to notice that when your pacifist really starts out to put pacifism across he has to declare a moratorium on pacifism and preach violence. Of course, in a literal sense, going on strike at munition factories, or going in for "Invergordon" mutinies at military and naval barracks, is not violence; but constitutionally it is violence, for it involves the rejection of peaceful persuasion, which in political theory, is the sole legitimate agency for getting anything done.

Pacifism, strikes and mutinies make a thrilling combination. *The New World* announces that Professor Einstein's "call to war resistance" has been "published throughout the world in twenty-four languages," and that "hundreds of thousands have written to their respective governments declaring that they will not fight in or make munitions for future wars." We are told that "France leads the way with the largest number of individual responses." Twenty-seven countries (ten of them European) figure in the roll of fame, including the United States; but strangely enough, no mention of Great Britain is made. A bit tactless, what? The suggestion that John Bull is going to be the last to fall in reminds us of the financial parallel of the Treasury's recent bleeding of the community to give bond-holders the confidence to bleed themselves—an abortive attempt on present evidences, for that famous "conversion" operation has not taken place yet, and is only rarely mentioned.

Leaving Professor Einstein out of account, since his astrophysical knowledge is of no service to political strategy, we can see that Lord Ponsonby could hardly boast of having got British subjects to defy British law. It is true that the disobedience is contingent and deferred, but, nevertheless, the example would be undesirable, having regard to the number of other political bodies in the country who could claim the same right as he to hustle things along ahead of Parliament's assent. We suspect, however, that the missing British "war registers" are duly recorded and boasted about in the foreign editions of *The New World*, if any; or, if not, in similar publications boosting the Ponsonby campaign. In fact we should not be surprised to hear that the reports in France are stating that "Britain leads the way." As Alice might say: "You have all led the way and you shall all have prizes." Or perhaps another parallel will illustrate the point better, namely the custom in every country for people to refer to

the source of origin of the contraceptives they use to some other country than their own. In Britain they are French; in Germany they are Russian—and no doubt the types of readers who subscribe to *The New World* could extend these examples indefinitely. We hope that our more fastidious supporters will excuse this unsavory parallel on account of its appositeness; for, really, you know, the methods of the no-more-war and the no-more-children sociologists are essentially identical and proceed from the same philosophy. Like the prophet mentioned in the New Testament, the "war register" is not without honour—in some other country than his own. There may be critics who will say that this ringing of the changes in publicity does not take place and that we are pursuing a phantasy; so we will call Mr. Andrew Mellon, the United States Ambassador, to our aid. He was entertained at luncheon in London on May 25 by the Institute of Journalists. He said:

"The average man is, for the most part, inarticulate. He is, in addition, *too much engaged* in the difficult business of making a living to have any time, even if he had the inclination, *to inform himself* regarding the complex problems of the day. He must depend, therefore, on his newspaper not only to give him the news in a concise and palatable form that meets his own particular taste, but also to express for him the thoughts and opinions which he vaguely feels and is unable to put into words for himself." (*Birmingham Post*, May 26. "The Press and World Problems.") (Our italics.)

What Mr. Mellon doesn't know about the services of the Press is not worth the cost of a hundred-pound-note to the Bank of England; and assuming, as one must, that he is speaking truth out of his experience, the fact emerges (a) that news is cooked to suit particular tastes, and (b) that the tastes themselves are cooked to suit particular news. We can imagine Washington saying to herself: "I don't know what London thinks of this diplomat of mine, but I confess he terrifies me." That is, of course, the snag in the banker's training—he is too much engaged in the easy business of dictating policy without giving reasons to inform himself regarding the complex exigencies of astute diplomacy. Never mind, it's an ill wind that blows no gaff. We hope our friend Mr. Mellon will continue the good work so that while honest men shall enjoy slices of his frankness the bankster hierarchy shall get the pip.

Keen students will already have realised that Mr. Mellon comes into the Einstein-Ponsonby picture in another and much more vital sense. He is over here to buy that very thing which those two gentlemen are selling—Disarmament. We discussed the subject apropos of himself and Mr. Bernard Baruch in our issue of April 21, devoting the whole of our Notes to it. (Baruch, by the way, is the originator of the idea of a "World Economic Council," now being furthered in the Press in the guise of The World Economic Conference now said to be in contemplation.) This explains three things. It explains (a) why Lord Ponsonby is able to incite people to direct action without incurring criticism in responsible quarters; (b) why he should discredit his common sense by recommending a line of action which, *on the face of it*, could not possibly overcome the calculable resistance by its own power; and (c) why it ignores an alternative line of action whose efficacy, *on the face of it*, is not inferior to the other, and which, moreover, could be put into operation at once without waiting for war-preparations to commence as does his chosen plan. The explanations can be shortly indicated as follows: (a) direct action is an accepted principle of finance—cf. the New Guard in Australia (the bankers' army)—and it suits the game to have people like Lord Ponsonby creating a popular mandate on which they can justify a resort to direct action when they want to. If they don't

the mandate dies away from their neglect and the public think of something else: (b) there is no necessity for direct action to move far under its own power: it has only to move far enough to dramatise a moral; and if the bankers like the moral, they can buy or create a political movement to secure its quick enactment. If there are some casualties attending the preliminary dramatisation—some pacifists killed, imprisoned or ruined—well, that was to be expected, and the cost calculated beforehand by actuaries, prison authorities and others. In short, Ponsonby's scheme is feasible because the bankers agree with its object.

The third explanation deserves a paragraph to itself. It can best be put in the form of an open question to Lord Ponsonby. It is this: Why has your Lordship not organised your passive resistance movement on the lines of a "personal and collective refusal"—to quote from your challenge—to pay taxes for war services? We hope that our readers will lose no opportunity of pressing this question right home whenever an opportunity offers. We will look at one or two merits of this alternative. (1) It requires no more personal or collective courage—if so much—to defy the Treasury in time of peace than to defy an Army Council in time of actual or imminent war. If a "war register" can't say Bo! to a tax-collector, and yet says he's going to say Bo! to a Court Martial, the appropriate commentary on the gentleman's attitude is contained in an alliterative monosyllabic ejaculation familiar to soldiers and civilians alike. (2) The scheme is feasible: in fact there is a precedent in the famous Nonconformist Passive Resistance Movement back in 1902. The "church resisters" (so to call the affronted Free Churchmen) calculated what proportion of the total rate in their respective municipalities went to finance the Church schools; and they deducted that proportion from their rate-payments. A similar calculation of proportionate war-expenditure is easier to make, for the total amount is published in the Budget, and its relation to total expenditure is expressible as a single ratio applicable to every tax-assessment in the country. (3) The scheme is effective because it can be adopted now, i.e., before any war-sentiment has been stirred up, and the Press would be free to boost it as a news-story. The No-More-War Movement would get the widest possible publicity free of charge, and would evoke a sympathetic, or at least a non-hostile response from the public. Under the Ponsonby scheme "resisters" would get only a fraction of this publicity, and such as they did get would inflame public sentiment against them. (4) In the event of distraints following short-payments of taxes the Movement could further its publicity by organising meetings at the public auctions; and many pacifists would doubtless feel it not inconsistent with their consciences to follow the lead of the Norfolk farmers by forcibly stopping the sale and hunting the auctioneer out of the district.

Readers will doubtless find other "merits" to recommend, seriously or otherwise, to the buck-pacifist when they meet him. And they could strengthen the appeal of the serious ones by pointing out certain demerits of the Ponsonby scheme, one being that the strikes and mutinies he envisages would be certain to be participated in and exploited by people and bodies who had subversive objects in view. When war-sentiment flames up it burns with a peculiar light in which no difference can be discerned between Pacifists, Communists, and secret-agents of enemy-powers; and in which every instance of anti-war action is attributed to enemy machinations. No; given that the right policy is direct action, the right time is now, and the right character of the action is financial resistance. The

buck-pacifist who cannot see his way to act accordingly may as well pack up the job and resume the practice of peaceful persuasion followed by the doe-pacifist.

We have purposely discussed the Ponsonby scheme outside the Social-Credit frame of reference, wishing to deal with it in a manner intelligible to the man in the street. Inside such frame, of course, it will be seen that his technique plays the bankers' game, while ours would upset it. Disregarding the U.S.A.'s interest, as world creditor, in the disarmament of Europe, and looking at the question as one of finance and disarmament, there are two reasons why bankers want disarmament, the main reason is that military power of coercion is the only reply to their own; and the subsidiary reason is that existing expenditure on armaments involves keeping a corresponding margin of credit in circulation which otherwise could be drawn out and cancelled. The first reason is political, and the second technical—the first relates more to their control of policy, and the second more to their procedure. In the matter of control, the world's bankers are united. In the matter of procedure they are mutual competitors—or, to be exact, mutual emulators. The International bankers do not compete for money any more than chess-players play for chess-pieces. The play's the thing; and the winning of it the prize. That which constitutes the winning can be indicated in such a form as this: Which city shall be the recognised financial centre of the world? That is the master-honour. With it goes the power of leading the financial policy of the world. With that power goes the power of designing the economic structure and development of the world, with the cultural phenomena arising from it. The satisfaction to be derived from all this is purely aesthetic; and it is to be noted that the most skilled players in the high-financial game are aesthetic types. The game they play is much the same as if two country squires played chess to decide which of them should plan improvements in the amenities of their common village. Supposing they wanted to keep the control of improvements in their own hands, and made a rule that only successful chess-players could have any say in the improvements, and made another rule that nobody but themselves must make chessmen; then it is easy to see how they could squeeze everybody but themselves out of the "improvement" pastime. To parallel this situation by reference to Harrison (U.S.A.) and Norman (Great Britain) we may say that the existence of militarism in general potentially threatens their monopoly of the game, while national militarisms cramp their style in the playing of it—introducing factors which turn the game into one of luck rather than skill, besides introducing occasional eyesores into the economic landscape in the meantime. If you can allow the supposition of a chess-match played under rules allowing the two players to have a pool of chessmen off the board and regulating the size and use of their respective pools, you will get a picture of the Harrison-Norman contest as now being waged.

Speaking in terms of Budgetary token figures, if Harrison and Norman had each to finance war services to the amount of £20 out of a total expenditure of £100, and other conditions were also equal, then this position would reflect an equality of pools. Or if neither spent anything on war services, that again would reflect the same equality. But if Harrison spent £10 out of his £100, and Norman £20, this would reflect an inequality of pools, Harrison being allowed under the agreed rules to have an extra Queen or Castle in his pool over and above what Norman could do. This would

help Harrison to win, but it would deprive Harrison of the pleasure of winning. In all games of skill the luck must be equalised to give the fullest zest to them. Now, in practical affairs, to achieve this is impossible short of complete disarmament (the achievement is not complete even then, because all economic plants and organisations are potential armaments—i.e., convertible to military uses, and these, too, would have to be equated—how, nobody knows; but that is outside the present story). Naval conference have shown, as pacifists rightly point out, that any form of partial disarmament is compatible with self-interested partiality among the parties concerned, both in negotiating it and, particularly, in their methods of interpreting and carrying out the formal agreements they come to. How, then, can the international bankers calculate their moves when at any moment some overlooked inequality in disarmament, contrived by some astute military expert, might drop a brick on the chessboard, or at least decide the game against the form of the winner?

Reflation and Barter.

The League of Nations' latest piece of wisdom is in a Report which recommends "a return to gold" and regards a "rise in prices as desirable." (*The Times*, June 10.) This links up with Professor Rueff's theory, to which Sir Josiah Stamp called attention. His suggestion was that if wages would not respond to fallen prices, prices must rise to make existing wages possible. This is what the Americans are calling Reflation—and what has previously been called Stabilisation. Stabilisation, apparently, consists in raising prices just sufficiently to undo over-deflation and stopping the rise just short of the point where re-inflation would commence. The happy mean between the two too's—the too little and the too much.

The nature of this policy can be best elucidated along this line. Financial authorities have always taught that monetary economy came to fulfil barter economy. And we are entitled—unless they formally say otherwise—to construe the fulfilment as consisting in the adoption of a mechanism whereby communities could exchange portions of articles with the same ease as when they exchanged complete articles; e.g., to exchange table-legs for chair-legs (intermediate products) as they did tables for chairs (ultimate products). This, we submit, is the substance of the financiers' claim, whether explicitly made or not.

Well, how can one relate a problem under perfected barter to its corresponding problem under unperfected barter. We can state the problem requiring stabilisation in the form: "The world price-level has fallen too low." What sort of situation under unperfected barter would correspond with this formula, or with the situation of which it is the financial expression? Of course it is open for the bankers to say that snags in the perfected system would not happen in the unperfected one—a rather shaky sort of proposition to advance!

Clearly a financial formula, as such, cannot be applied to anything happening in a pre-financial system. So we have to go behind it and inspect the economic phenomena expressed by it.

In a barter-economy "prices" would be in terms of things. Thus one table might exchange for two chairs, or forty loaves. We can formulate the ratio thus: $T : C : L = 1 : 2 : 40$. The ratio, of course, would tend to alter; and $T : C : L$ might become $1 : 3 : 50$ or $1 : 1\frac{1}{2} : 20$, or anything else. But whatever figures you use to express the ratio, you cannot intelligibly assert that the ratio, as such, is "too low" or "too high." Lower than what?—higher than what? There is no standard ratio with which to compare it. And, if there were, it would

still be impossible to say that one was higher than the other. The "highness" or "lowness" would attach, not to the ratio, but to the constituent things inter-related within the ratio. For instance, if $T : C : L$ changes from $1 : 2 : 40$ to $1 : 3 : 50$ you can say that the exchange value of T has risen in terms of C and L, and the value of C and L fallen in terms of T. But you cannot say that the ratio $T : C : L$, as such, has risen or fallen; for that would be to say that T, C and L had all simultaneously risen or fallen each in terms of the others!

But this is precisely what is involved in the bankers' diagnosis—"the fall in the world price-level," i.e., the fall in the T C L ratio. What they are trying to say (or rather to keep quiet about) is that the figures expressing the ratio are smaller. The nearest approach to their mentality under a barter system would be illustrated if some barter experts pointed out that the reason why people could not exchange the tables, chairs, and loaves they made was because the ratio $T : C : L$ had gone down from $2 : 4 : 80$ to $1 : 2 : 40$. But the ratio has not altered. "The more it changes the more it is the same thing." The bankers' method is apparently to add up the numerical terms of the ratio, comparing the totals—in this case 86 and 43—and concluding that because 43 is only one half of 86 the world must expect to be only one half as rich in tables, chairs, and loaves.

The present-day "crisis" is a matter of unexchangeable production of all sorts—or in "barter" language, unexchangeable tables, and chairs, and loaves. That could only happen if the people stopped wanting any of them. It is true that more tables might be made than the people wanted, or more of the other things taken separately. But to ask one to believe that there are three "too much" existing simultaneously, and that their common "muchness" destroys their common exchangeability is a little too much for one's gravity. And when, to cap this, the three "too much" are visibly in existence in a society of desperate "not-enoughers," the proposition simply laughs itself out of every court in the world except the Courts of Directors of the Central Banks, where all critical faculties are dissolved in the higher mathematics of the high financiers.

The Mysteries of Banking.

By Hilderic Cousens.

Banking, as Major Douglas once observed, is the world's nearest approach to making something out of nothing. In T. L. Peacock's "Crotchet Castle" there is a letter from the runaway stockbroker, Timothy Touchandgo, to his daughter, explaining how, at Dotandcarryone Town in the wilds of America, he had established the banking firm of Touchandgo and Company.

"There are three classes of men who flourish especially—Methodist preachers, slave-drivers, and paper-money manufacturers; and as one of the latter, I have just painted the word BANK on a fine slab of maple, and have directed the settlers, in my own currency, sundry bills which are to be paid when the proceeds of the crop they have just sown shall return from New Orleans. They know I am thoroughly conversant with the principles of banking, and as they have plenty of industry, no lack of sharpness, and abundance of land, they wanted nothing but capital to organise a flourishing settlement; and this capital I have manufactured to the extent required, at the expense of a small importation of pens, ink, and paper, and two or three inimitable copper plates. . . . P.S.—I send you one of my notes; I can afford to part with it."

This book was written in 1831, and the principles of banking remain the same.

On June 6, 1932, the Bank of England bought bars of gold, £1,046,299. (There is something satirical about that 99 as about the 13s. 1d. beloved by those who put down figures to represent the value of bank premises.) How did the Bank pay for the

gold bars? It could have paid for them by one or more of the following ways.

(1) It could have handed over gold coins of equal value—an unlikely and generally useless proceeding. (2) It could have handed over securities (stocks, shares, bills), also unlikely, and how did it pay for the securities? (3) It might have handed over some of its concrete possessions, but how unlikely! (4) It might have taken the gold as a condition of striking off debit figures standing in its books against the vendors, but again unlikely, and for what consideration were the figures first placed there? (5) Or it might write figures, totting up to the said £1,046,299 on the credit side of accounts in favour of the vendors. This is probable. It means that in the future the vendors or their assignees will be able to ask for Bank of England notes. And, in fact, the gold is paid for now or later by the (6) handing over printed pieces of paper of approved shape, texture, and design.

Then what is the method of paying the printers of these, so valuable, notes? Clearly, a few of them. One million £1 notes are printed. The printer charges, say, £4,000. He is given 4,000 from the bale, and the rest are available for buying gold, ink, ledgers, securities, and anything else from mosaics to paper-weights or strong-rooms that the bank authorities wish. The Bank of England never parts with anything real. Its employees sweat and scribble, and in doing so they manufacture the means of paying their wages in money, while the rest of the nation will provide the food, fuel, shelter, and other real things they require.

It is the same with the Big Five. What do they part with when they put in a new mahogany counter or buy a corner site? They grant a credit on themselves, which involves the using up of so much paper and ink, which they pay for by another credit on themselves. And so long as they work in a circle at more or less equal speeds, and certainly if they organise themselves into a system, nationalised or not, they can get possession of anything they like that is for sale, because they have unlimited purchasing power, manufactured in whatever quantities they think fit, whenever they like.

A bank has neither body to be kicked nor soul to be damned, when once it has achieved a certain status. The American sentiment against monopoly has kept most banks there small and isolated, so that financial monopoly and oppression have taken other and even more successful forms. But though the failure of small banks is an Awful Warning and reflects glory on our "solid and prudent" institutions, these latter do not advertise the secret of their own power and stability. This is that they are self-financing institutions, whose every credit, either in their own or other parties' favour, merely serves to increase their own and their colleagues' credit. For A to part with cash, means that A B C D and E will get it; for B to part with cash, means that A B C D and E will get it, and so on. Slight inequalities in the distribution and recoupment by way of wages and shopkeepers even out. And the only way in which English banks can be put in even apparent danger is by everybody insisting on being paid in notes and carrying as many notes about as they can—a danger easily met by printing a few more of them. The City of London is Dotandcarryone Town grown up.

War and Nationalism.

"The way to abolish war is to abolish the causes of friction between nations, and not to abolish the nations in trade. The major cause of friction between nations is competition the existing financial system to compete for trade can be summarised in the fact that no country possesses in its population sufficient distributed purchasing power to buy its own production."

The Coventry Scheme.

We were misled by the newspaper reports last week into thinking that the Coventry Scheme provided only for municipal coinage. It does not; it provides for municipal currency. The misleading statement looked plausible to us because, for all we knew, tactical considerations had led the sponsors of the scheme to begin with the most modest demand possible. Another thing was that a coinage under a Royal Charter might well bear the King's Head; and we thought that this also was in the sponsors' minds. However, there is no harm done: our comments of last week are equally applicable to the larger scheme—in fact, more so. We have no space to extend our remarks this week except to make a modest suggestion of our own, namely that there are a few merits in the idea of "municipalising" the pawnbroking businesses of Coventry by financing them with municipal credit on mutually agreeable terms. Six-day loans on Sunday suits are a most prudent application of sound financial principle.

Events of the Week.

(Compiled by M. A. Phillips.)

- June 4.
Bank of England buys £1,200,000 of gold.
Morgan offers to "stabilise" U.S. Bond market conditional upon Budget being balanced.
Sir George May offers tariff to steel industry if it will "re-organise itself."
- June 6.
Ban on Hitler's army removed.
World unemployment 25,000,000 (League of Nations' report).
U.S. Civil Service wage cut of 10 per cent.
"Bonus" army still concentrating on Washington.
- June 7.
Unemployment in Great Britain 2,741,000 (plus 89,000 in one month).
Dawes resigns Presidency of U.S. Finance Reconstruction Corporation.
Lewis Lazarus failure. Suspension of Tin Market.
Bank of England buys further £1,000,000 of gold (£10,000,000 of gold bought this year).
- June 8.
Stock Exchange not to open on Saturdays until further notice.
New Zealand miners strike.
Kaiser takes holiday with German Banker in Holland.
Cosach nitrates to be confiscated by new Chilean Government.
Austrian loan renewed by Bank of England and Bank of France.
- June 9.
Irish Senate rejects Oath Bill.
Chancellor gives warning of coming "economies."
Japan faced with famine.
French Budget deficit 1931-2 £44,000,000. Deficit in 1930-1 £17,000,000.
Anglo South American Bank shares fall to zero.
- June 10.
League Finance Commission recommends return to gold.
Slump in British railway shares.
French drain on U.S. gold continues (£100,000,000 withdrawn this year).

NOTICE OF MEETING.

Commander Kenworthy will speak on "The Breakdown of the Financial System: and the Way Out," at the Essex Hall, Essex Street, Strand, on Friday, June 24, 1932, at 8 p.m. Chairman: Eimar O'Duffy.

BACK NUMBERS OF "THE NEW AGE."

Back numbers of *The New Age* are offered by a reader to anyone wishing to have them at the cost of carriage only. Apply, Box 24, *The New Age*, 70, High Holborn, W.C.1.

Notice.

All communications requiring the Editor's attention should be addressed directly to him as follows:

Mr. Arthur Brenton,
20, Rectory Road,
Barnes, S.W.13.

Renewals of subscriptions and orders for literature should be sent, as usual, to 70, High Holborn.

Theatre Notes.

By John Shand.

VARIETY AND PLAYS.

I picture him as the Knight of Virtuous Vaudeville. He is seated, close to Gilbert's "Eros," on a mare's nest, clad in armour of whitewashed tin, with a goose quill in one hand and in the other a banner made from the front page of the *Daily Herald*. His battle cry—echoed by the ruby lips of all the chaste maidens of Piccadilly—is "keep the party clean!" Him? Who? Who is this knight, alone and palely challenging? Can it be—yes—it is Mr. Hannen Swaffer, defending our morals. What is it he is saying? The blowing horns of the great red omnibuses, blocked by the crowd which is rapidly filling the Circus, make hearing difficult. But a word reaches us now and again, wafted on a wind scented with petrol-exhaust and patchouli. "Non-stop variety"—"indecent jokes"—"Rabelaisian sketches"—"managers must be stopped"—"bring a blush to the cheeks of the family party"—"dirty gags that will kill this new craze for vaudeville"—"keep the party clean, keep the party"—"Cheers from a group of nancy boys drown the knight's battle cry. . . ."

This picture came into my mind as I dozed over one of Mr. Swaffer's powerful articles last week. He was complaining loudly of "indecentcies" in some of these non-stop shows which are breaking out like a rash in London's unoccupied theatres. He threatened the managers with the loss of "the family party" in their audiences if deletions were not made. Really, this is very courageous in Mr. Swaffer. Or is it that, in Dr. Johnson's phrase, "he is more inflammable than other people"? I fear that the mob who in search of the alleged indecency will now besiege the doors of the London Pavilion, the Prince of Wales's Theatre, the London Palladium, the Windmill, the Duke of York's Theatre, and the Phoenix will be disappointed. It is, I suppose, quite a good journalist's stunt to accuse these vaudeville shows of indecency; but even were it true does not such a charge come a little oddly from one whose pose is ever that of the blasé man about town? Anyway, I can assure my readers—if they need assuring—that there can be no indecencies in the usual sense of the word. "Our splendid police" would see to that. There are broad jokes, innuendoes, double en-tendens. The music-halls of the last century throve upon the guffaws of audiences who enjoyed salt humour, and those music-halls began to decline as they became "refeened."

As soon as the managers began to cater for that dreadful girl of sixteen—who, as was once said, in any case has no business to be out of school or out of bed—so soon did their shows fall into a sadness, then into a fast, thence to a watch, thence into a weakness, and by this declension into the tameness and the genteel dullness in which they languished out of favour. The music-hall is an art that gets its strength and its material from the populace; its appeal is to the populace; and the populace of this and of every other country prefer humour with a tang or a bang to it—the "blue" gag and slapstick. They will laugh more at one bawdy joke from a Marie Lloyd than at all the wit of Wilde and Shaw put together. More delightful is it for them to watch the clown get a kick in the pants or the "dame" to slip on a piece of banana peel than to hear the cleverest epigram. Shakespeare's Puck, the merry wanderer of the night, had full knowledge of the crowd's taste in humour. How did he choose even to make King Oberon smile? Was it not in beguiling a fat

and bean-fed horse by neighing in likeness of a filly foal? Was it not, as Puck says, when:

"The wisest aunt, telling the saddest tale,
Sometime for three-foot stool mistaketh me;
Then slip I from her bum, down topples she,
And 'tailor' cries, and falls into a cough. . . ."

These horseplay humours, and jokes of a "tendencious kind" on the subject of lodgers, honeymoons, tile-singing cats, widows, sailors in every port, and all the other ever-new targets for ancient ribaldry, for lines winged with double-meanings and for ambiguous givings-out in song and gesture have always made the English people laugh and will for a long time continue to do so despite the ennobling efforts of the B.B.C., of Sir Oswald Stoll in his ultra-genteel Coliseum, and now of Mr. Swaffer. Mr. Swaffer, I suggest, would be more usefully employed if he inquired what arrangements have been made by the managers to give the artists in these non-stop entertainments proper intervals for food and rest. The artists are clearly not at present in a position to complain if they are being badly treated. They are only too glad to be employed. But if large profits are going to be made from these non-stop shows, the managers must be encouraged to diminish some of these profits by employing a double shift or some such system which will prevent any person either on or behind the stage from being confined to the theatre from morn to midnight. Sweated labour, I feel sure the *Daily Herald* will be the first to agree, is extremely indecent.

"Hocus Pocus."—This new production at the Garrick Theatre is worth a visit. Mr. Austin Page, the author, has written a play which, though extremely sentimental, avoids the mawkish. Also, his play is the means to introduce to English audiences a German actor of quality, Mr. Walter Jenssen, who gives a performance in the leading part which suggests that his talents are here being only partially exploited, and leads one to hope that Mr. Leon M. Lion will find him another play later on. "Hocus Pocus" tells with refreshing humour the old tale of the starving genius in the garret who by that stroke of good luck which all of us hope for and few of us receive finds the end of the rainbow where is the pot of gold and a lovely lady. This particular representative of the poor man's daydreams is a painter of genius who cannot sell a picture; and the scene which introduces the painter and his young son (well played by another German actor, Mr. Rolf Mueller) was written with a tact that made one certain that the worst excesses of the sentimental would be avoided. The painter gets his chance in a last despairing interview with a Bond Street dealer (Mr. Frank Cellier), who, by a misunderstanding, looks at the hitherto rejected canvases under the impression that they are by the boy. The dealer is encouraged in his mistake by a quick-witted woman of means (Miss Adele Dixon), who has obviously fallen in love with the artist at first sight. The dealer sees a chance for a stunt show. Boy prodigy, and all that. His assistant (Mr. Henry Mollison) knows the right kind of "dope" to give the newspapers, and the heroine starts the social ball rolling among her Mayfair friends. The sentimental is thus stiffened by a dash of satire; one of the targets of that satire, the London picture dealer, being a new one to the stage, I think.

Quite a good deal of fun is got out of the sale of the pictures for thousands of pounds, but the scene is rather a weak one for a middle act, and would not perhaps be quite strong enough even if the smaller parts (with the exception of Miss May Agate) were better acted. I congratulate Mr. Lion, however, on getting genuine modern pictures to hang on the walls of his stage art gallery. This helps the scene considerably. We see the last of

the lady and the now affluent painter having a meal in the Pimlico garret and arranging for love and kisses on a walking tour to Vienna. The boy prodigy has been quite exploded meanwhile, but no one has been damaged. Even the anger of the American woman who paid the most for the pictures has been cooled, for she has been persuaded that she knew all the time that the canvases were not by a mere boy and that she bought them as obvious works of genius by an unknown artist whose paintings it were well to acquire in advance of the market. I will not make the conventional excuse of lack of space; I have simply evaded an attempt to analyse Mr. Jenssen's performance. I know it is a good one; but I will be so far the coward as to wait another opportunity to give whys and wherefores.

"Men in the House."—I suspect that this new play at the Globe, by Mr. Robert Yorke, was chosen by Miss Olga Lindo. For it is a play in which the heroine hardly leaves the stage, and is therefore one which is bound to be thought good drama by any actress. Against this theory of personal choice, however, was the actual performance, where it was clear that Miss Lindo was desperately over-acting in order to give some sort of life to a piece which moved only in the sense that it passed from one dull conversation to another, from one conventional situation to another. I always admire Miss Lindo because she always gives her audience the best she is capable of. Whether more subtlety and less perspiration would, in the case of this comedy of Ruritanian politics and amours, have succeeded better I hesitate to decide. Certainly the less strenuous methods of Mr. Ivor Barnard as a villain of a politician, of Mr. Cecil Parker as the heroine's husband, of Mr. Arthur Margetson as the lover, gave better results. But was their acting better than Miss Lindo's? I think one preferred them because they had much less of Mr. Yorke's flat dialogue to speak.

The Films.

More Mediocrity.

Except for "Melody of Life" and "M," both of which I have already reviewed, and "Two Days," the new films available to the public last week were of a mediocrity that would seem to indicate that many exhibitors have still to realise that sunshine and light evenings compete with indoor entertainment. The Warner Brothers have been showing two pictures at the Regal, "Play Girl" and "Beauty and the Boss." The first is old-fashioned sob-stuff, re-deemed by one unusual feature; the heroine, who is very advanced with child and has been left by her husband as the result of a conventional screen misunderstanding, backs a long-priced outsider so as to defray the expenses of her confinement in a nursing home, wins, and is swindled out of the money, including her stake. There is, of course, a happy ending—in the maternity home. Whoever selected this production for the entertainment of a West End audience was singularly ill-advised.

"Beauty and the Boss," adapted from the stage play, "The Church Mouse," is a re-hash of the Ugly Duckling, with a strong flavouring of Cope-tua and the Beggar Maid. Such a theme should be treated either on lines of pure fantasy, as was done in "Sunshine Susie" (on which the producers appear to have drawn heavily, even to the name of the heroine), or as straight drama. This picture wobbles throughout between the two methods, with the inevitable unsatisfactory result. The heroine is Marion Marsh, who made her reputation a few months ago in "Under Eighteen"; given better roles she would be qualified to assume the mantle of Mary Pickford. Frederick Kerr is cast in a role that might be sunk without trace, and Warren Wil-

liams is the Viennese banker, a type that he resembles about as much as he resembles a medieval Doge of Venice. Incidentally, while I am not familiar with the interior architecture of Viennese banks, the producers would seem to be equally in ignorance, and unless I am mistaken, they made use of one of the spacious railway station settings built for "Gentlemen of a Day." The photography and cutting are excellent, and Ray Enright made a good job of the direction, but it is regrettable to see so much time, talent, and effort wasted on such mediocre unoriginality, which is chiefly remarkable for its vulgar exploitation of crude sexuality.

The Forum Theatre.

To turn to more pleasant topics. London has now a third theatre devoted to the best Continental films. This is the Forum, Villiers Street, Charing Cross, which has inaugurated a Russian season. Last week it presented Stabavoi's "Two Days," dealing with the war between the Reds and the Whites in 1920; "The General Line" is being shown until Saturday; and next week Olga Preobraschenkaia's "Cossacks of the Don" will be given for the first time in England. I understand that among other pictures that it is hoped to show in the near future are "Earth," "The End of St. Petersburg," and "Storm Over Asia." The last is one of the finest films ever made, but owing to our anti-Russian Censorship, Londoners have hitherto had to make long journeys to the outer suburbs in order to see it.

Sez You Department.

Gloria Swanson was recently on a short visit to England, when she tried to find an actress for the part of Stephanie in her forthcoming British production "Perfect Understanding." According to her Press agent, this role "calls for a woman possessed of dramatic sensibility, esprit and poise, qualities which Miss Swanson regards as essentially English." Yet, in spite of this attempt to Buy British, I am informed that Miss Swanson, "after spending two days' fruitless search in London (how does one spend a search?) had reluctantly to return to the Riviera without fulfilling her mission."

The Big Drum.

Nothing is so calculated to alienate educated people from the films as the stupid habit of advertising each new picture in terms suitable only to master works. Some exhibitors and publicity agents have begun to realise that the methods of the penny gaff are out of date, but the Paramount concern, whose trumpet-blowing I have lately been studying with amused interest, have still something to learn regarding the effectiveness of understatement. Here is their record for the past month.

"The Shanghai Express. Paramount's Super-Sensation! Paramount's £50,000 Masterpiece. "The Miracle Man. Most Daring and Unusual Crime Thriller Ever Brought to the Screen. See it! Thrill to It!! You'll Never Forget It!!! A Paramount Super-Production With a Cast as Stupendous as the Picture Itself!!"

"The Strange Case of Barbara Deane. London's Greatest Emotional Thrill!"
"Sky Bride. The Romantic Thrill of the Air. Greatest Romantic Thrill of the Air!"

Imagination apparently began to fail when it came to "The Sky Bride," but the failure is only apparent; the same programme announces that "England Awake!" is "The Greatest Romance of All Time!" and "The Picture That Will Live for Ever!" matters on which I should be interested to hear my readers' opinions. Prior to this last outburst, "The Shanghai Express" was served up again as "London's Greatest Thrill!!!" while that mediocre production, "Il Est Charmant," was disguised as "London's Biggest Sensation!!!" and "The Spiciest Picture from Paris!!!" a perfect example of the *mot injuste*. "The First Mrs. Frazer,"

a picture singularly to the disliking of the critics, which stayed the course at the Plaza for only a week, was modestly billed as no more than an item in a "Colossal Derby Week Programme," with only one exclamation mark. But Paramount's Bright Young Men have already staged a good come-back, "The Man I Killed" is "The Drama That Will Set the Whole World Talking!"

DAVID OCKHAM.

News Notes.

The Flight For The Dollar

In a commercial and military sense the achievement of Miss Earheart is a smack in the eye for Britain, just as Amy Johnson's was one for America. It was perfectly appropriate that President Hoover should cable from Washington, and that Mr. Ambassador Mellon should motor to Hanworth to offer congratulations. Particularly the latter; for included in the ten-thousand-million-dollar capital controlled by himself and brother are enterprises whose stock will be enhanced in value by Miss Earheart's escapade—to wit, the Carborundum Co. (21), the Aluminium Company of America (242), the Gulf Oil Corporation (488), the Pittsburgh Aviation Industries—Transcontinental and Western Air (6), American Rolling Mills Co. (148), and Bethlehem Steel Corporation (719)—the figures signifying millions of dollars capital. But what was not so appropriate in the same frame of reference was Mr. Ramsay MacDonald's butting in with his official adulation of a deed, the effect of which must be to diffuse the world-wide impression that "If its aircraft, Sam's the friend, not Bull." Nevertheless what Mr. MacDonald did was appropriate within the international financial frame of reference—so logically appropriate indeed that one may safely take it for granted that this Socialist "sucker" neither inspired nor even sent the message. Some permanent official of the Treasury stationed at Lossiemouth probably concocted the eyewash for publication. The logic lies in the fact that international finance concentrates first and foremost on the control of communications, for in that control, as Rudyard Kipling remarked through a character in one of his famous stories, lies the secret of power. Credit, of course, is the Master Key to the whole system of international inter-communication—nowadays described as "inter-dependence" to disguise the fact that control is supernatural.

The War on Civilisation.

The civilian forces on the Canadian front have sustained two casualties, according to the *Montreal Daily Star* of May 16, when Fred Fillpoy (labourer) and Frank Yorks (farmer) were respectively killed and wounded in an ambush. It appears that these two men, both of them starving, disinterred a box containing porridge from a refuse dump at Point St. Charles on the previous day. They got a fire alight and cooked themselves a meal. Neither liked the taste of it, and Frank Yorks spat his second mouthful out, but Fred Fillpoy, whose hunger was keener, persevered. Suddenly he fell to the ground in agony, shrieking for water. Frank Yorks rushed to get some, but Fred Fillpoy couldn't drink it. In half an hour he was dead. Frank Yorks was taken to the hospital in a state of collapse. At the inquest it transpired that both men had been poisoned by arsenic. The medical expert was of the opinion that the oatmeal had been used as a vehicle for rat-poison, and part of it had been subsequently thrown away by some householder or caretaker. Frank Yorks, farmer, stated that frequently there were as many as a hundred men picking over the refuse dump for food. The report speaks of him as being "emaciated and under nourished" . . . Frank Yorks, farmer! . . . Orders will doubtless have been issued to the civilian forces on the Canadian front to stick to the siege-ration in future.

Beaverbrook on "Saving."

The "Evening Standard" of May 17 makes a novel departure in publicly arguing with its own contributor, "A. A. B.," on the question of saving or spending. The contributor has recently emphasised the necessity of saving, and the "Evening Standard" analyses the consequences of saving to show that it causes slack trade. Here is one of its arguments:—

"A bootmaker, impressed by 'A. A. B.'s' trenchant and persuasive style, resolves that this year he will do without a new suit of clothes. The tailor, finding his profit by so much diminished, forgoes the new bicycle he had intended to purchase for his son. The bicycle dealer, finding his profit diminished in turn, is unable to afford a new pair of boots. Who has benefited? Cer-

tainly not the bootmaker, who has kept his money, but is poorer both by the new suit which he needed and by his profit on the bicycle-dealer's boots.

"This example is simplified for the sake of illustration, but it can be seen on a world-wide scale. When the price of rubber was high the natives of Malaya, with money to spend, began to develop a taste for European clothes and similar luxuries. The consumer of rubber was unable to take up the Malayan production and the Malayan native began to revert to the inexpensive loin-cloth.

"The root of the matter is that we need not hoards of either goods or money, but purchasing power to enable the goods to be consumed. Hoarding money diminishes the volume of purchasing power and intensifies the depression. It is necessary that we should 'spend courageously,' provided always that we spend with those who will in return buy from us, so that we get the benefit of the purchasing power thus released."

These sentiments are familiar to the student of Social Credit, but the deeper he has gone into Social Credit the more quickly he will see that they do not commit the "Evening Standard" to the Social Credit policy. Its arguments, as above set out, do not proceed from Social Credit general principles, and it would be easily possible for "A. A. B." to refute them in that form. For instance, there is no courage required for anybody to spend money with somebody who is going to spend it back again with him. One might just as well speak of "courageous barter." What we would call "courageous spending" would be importing most heavily from those countries who were most reluctant to buy anything from us. One can be pretty sure that the "Evening Standard" would consider that a ruinous policy. And so it would be under prevailing conditions, but that is just the point where the "Evening Standard" shows itself to be in the opposite camp to ourselves, for it does not envisage making that change in financial policy and procedure which would render this importation profitable to the importer and correspondingly unprofitable to the exporter. Instead, as will be seen, the advocated "courageous spending" is envisaged as taking place concurrently with the accepted costing and pricing principles now governing the world's economic activities. It should appear as evident to anyone who thinks in terms of things that there is a contradiction in saying that a country which gets rid of a balance of money's worth is richer by the amount of the "worth" got rid of. Or at least the content of the word "worth" would have to be defined in some manner which it would puzzle any common-sense person to appreciate. The "Evening Standard" will have to purge its mind of that persistent delusion that worth attaches to a system of counting instead of to the things counted by that system. Our tip to people who wish to be baptised into the realities of economics is that they take a holiday from reading anything at all on the subject in the "Bankers' Press," and let their own observations do the work.

"Isoflation."

How these currency reformers help the bankers. The Chairman of the Monetary Reform League writes to the "News-Chronicle" of May 21 extolling the merits of "isoflation." This is several degrees less intelligible than the Yankee discovery: "Reflation"—which we notice has been passed by Major Astor and Mr. Montagu Norman for inclusion in *The Times's* leading articles (see May 19, where it appears in the phrase: "controlled reflation"). For at least the word "reflation" is suggestive of reinflation, whereas "isoflation" suggests nothing at all. Etymologically, "reflation" would mean *blowing again*: but "isoflation" would mean *blowing equally*. Blowing what, equally? However, we need not bother. This jargon is not intended to describe or explain any policy or technique; but precisely the reverse; for so long as only the bankers know what it means nobody will presume to interfere with its administration. What reflation means will be what the controllers of controlled reflation mean it to mean.

Institute of Public Administration.

At the Summer Conference at Trinity College, Cambridge, June 24 to 27, Sir Basil Blackett will speak on "The Practical Limits of (a) Taxable and (b) Rateable Capacity."—Mr. Josiah Stamp on "Departmentalism and Efficiency" on Colin J. Clark (formerly Assistant, Economic Council) on "Co-ordination of Economic Policy in Government Departments." The prospectus states that: "The Sessions of the Conference are private and will not be open to the Press." The address of the Institute is Palace Chambers, Bridge Street, Westminster, S.W.1. The papers for discussion will be published in the July issue of *Public Administration* on or about June 15, and will be taken as read at the Conference.

A Reply to W. J. Brown.

Mr. W. J. Brown, the General Secretary of the Civil Service Clerical Association, has recently published a leaflet entitled "The Deepening Crisis."*

In its short space of eight pages the author has succinctly recorded his views on the prevailing economic and political situations, and has indulged in a reserved, though rather emotional, attack upon Capitalism.

Many of his contentions are sound, particularly those regarding "effect" as distinct from "cause," the nature of declining price levels, and the impotence of disarmament and reparations conferences.

He has arranged the leaflet in five sections, and in each discusses a different aspect of the economic problem. There is a disconnectedness between these sections which is disconcerting to one familiar with the "step by step" explanatory technique of exponents of Social Credit.

In one of the sections the author shows the disastrous consequences of a decline in world commodity prices, but is careful to draw attention to the fact that he believes that declining prices are only the effect of a still deeper cause. He maintains, rightly enough, that the root cause is found in the world's inability to consume what it produces. Unfortunately for the unenlightened reader, the author defers an explanation of how this state of affairs has arisen until later in the leaflet.

In the section entitled "Capitalist Remedies" he confesses to a lack of confidence in international conferences, but makes a slip when he continues to say "that nothing of real consequence can emerge from Ottawa unless the problem of price levels be solved." One is tempted to ask Mr. Brown what that something of real consequence could be, and what effect it would have on the discrepancy between total incomes and aggregate prices.

In connection with banking his remarks are exiguous and innocuous in so far as they lack any suggestion of an analysis of banking policy and its results. According to the author there has been developing in each Capitalist State a conflict between banker and industrialist. "Until quite recently," Mr. Brown goes on to say, "the Banker has beaten the Industrialist in the ideological battle which has ranged round the twin words 'inflation' and 'deflation.' But now this has been reversed, and 'it is common ground that there should be controlled inflation.'" This is incorrect—unless the expression "common ground" means the circulation of the "Daily Express." However, the industrialist, we read, cannot reach his objective because he is up against the practical difficulty of achieving controlled inflation.

On page 6 he suggests one method whereby the present system may be propped up, and that is, to restrict production to the point where the product can be absorbed. He opines that this, owing to the difficulty of international agreement among producers, would be just as impracticable as raising world prices by currency manipulation.

Well, Mr. Brown, I will go one better than you and explain exactly why restriction of production would not be an effective remedy. It is because within the framework of orthodox accountancy incomes can never equal prices. No matter to what extremes restrictions be carried out purchasing power would always lag behind.

As a third alternative it is suggested that surplus production should be given away. That is not possible, says the author, owing to the individualistic nature of Capitalism. "The free distribution of the surplus would demand State action which would ruthlessly override the interest of individual capitalists. But on the Leninist axiom that any machinery of State must subserve the interests of the dominant class in that State, State action to give away that surplus would be economically impossible within the framework of the existing system."

If in place of the author's implied Capitalist we substitute Banker the statement becomes a little more logical.

Lastly, he gives us what he rather vaguely calls "The Broad Alternative," which appears to be a Socialist State. As to how the distribution of the power to consume will be organised in the Socialist State he gives "nary a hint." He quite plainly states that he considers the only method by which a Socialist State may be attained is by revolution.

It is in this section that we are brought to what is termed "the real root of the matter."

"Workmen accept in wages less than the value of their product because, since the means of life are privately owned, they can only live by selling themselves as wage slaves to the class that owns the means of life, and those who own the means of life only employ other men for profit."

*Published by W. J. Brown, 2, Upper Belgrave Street, S.W.1. (Price, 2½d. post free.)

In the face of this statement perhaps Mr. Brown would care to explain how the capitalist class as a whole manages to regain more in prices than they disburse in incomes. If the capitalist pays out less in purchasing power than he charges for his product, it necessarily follows that there will remain a surplus of goods unsold. Now, as no producer produces except for the ultimate purpose of selling his goods, it is only reasonable to suppose that he does not deliberately operate a system which defeats that end.

We must thank Mr. Brown for this leaflet, because it provides a fair indication of what he has yet to learn. If he would remove his attention from Das Capital, and give serious, unbiased consideration to the analysis and proposals of Social Credit he would be more fitted to shoulder the deep responsibilities arising from his secretaryship.

"P. CLASS, WHITEHALL."

Reviews.

Psychological Exercises. Edited by A. R. Orage. (Obtainable at 38, Cursitor-street, E.C.4. 2s. 6d.)

The exercises collected in the present volume are designed to supplement the deficiencies of the existing tentative methods of the ordinary educational system. They consist of exercises in mental calculation of a decidedly original nature, of exercises with words and verses, and of psychological exercises proper. The latter aim at making the Unconscious processes within the human psyche increasingly Conscious; they include exercises in sense-perception, in memory and visualisation, in the revival and imaginative use of the other senses, in emotional associations, and in intellectual content. Finally there are a number of varied miscellaneous exercises including judgment of time and rhythm. Many of the exercises would form an amusing game, and all of them are said to be within the compass of the average mind. The compiler claims "that mental exercises at first utterly impossible become with practice relatively easy; and that along with the increasing facility in the exercises themselves, the facility in the use of the mind upon ordinary problems is enormously increased." I. O. E.

The Missionary Menace. By Newton A. Rowe. The Here and Now Pamphlets. (Wishart. 1s.)

It is a pity that Mr. Rowe has spoilt an extremely strong case by constant over-statement. Missionaries are no doubt often, perhaps always, ill-advised, but they are not all hypocrites. The problem would be much simpler if they were. Mr. Rowe's facts are impressive and damning; he would get a better hearing if he let them speak for themselves. M. J.

Shades of the Prison House. By Stuart Wood. (Williams and Norgate. 12s. 6d.)

These memoirs of an ex-convict are, first of all, extraordinarily readable. They have considerable faults, particularly that of unnecessary and rather fulsome moralising; yet these are only minor detractions from the solid interest of the work. The story is guaranteed by the publishers to be genuine; but such a guarantee is hardly needed, for the book speaks for itself. Whatever may be the objective truth of the narrative, the reader will have no doubt that the author believes every word of it to be true. It is sometimes objected that a man who has suffered from a system is not in a fit state of mind to criticise it; but at least his criticism, provided only that it is sincere, is of value as a human document, for the man is what the system has made him. Mr. Wood contrives, by means of his facts rather than of his opinions, to make his more fortunate readers understand how easily a man who is obviously not of a criminal type may drift into a life of crime, and may at last become so hardened as to contemplate a long term of imprisonment with comparative indifference. "It's all right if you haven't been to prison," said the plump woman to Mr. Polly. "It isn't what a man's happened to do that makes him bad. We all happen to do things at times. It's bringing it home to him and spoiling his self-respect does the mischief." This is Mr. Wood's first point. His second is the practical impossibility of getting work on leaving prison. " . . . It would appear to be highly contradictory to say that a man who hates prison so intensely that he uses every effort to obtain his release should, within twenty-four hours, regret his success in achieving it. Nevertheless, in my case, that was the simple truth. . . . Did I not know that for the alternatives—destitution or crime? Of course, this problem, never an easy one, is unnaturally acute under present industrial conditions. Besides the interest of his narrative, and his criticism of the penal system, Mr. Wood gives a lot of entertainment by the way. There is a grim irony in the story of the sexual murderer who objected to the Chaplain

of the indelicacies of Fielding and Smollet, and had their works withdrawn from the prison library; and a more pathetic humour in the case of the Governor who allowed the more satisfactory prisoners to keep a plant in their cells, in the hope of fostering good citizenship. One of the most instructive sections of the book is the account of the "lurker's" methods. The lurker is the kind of man who touches the good-natured father of a son with whom he claims intimacy for his fare to Edinburgh, where a good job is awaiting him. He generally earns his money, for a successful call may entail hours of research in Crockford or the Army List, at the Public Library. Mr. Wood's rather malicious analysis of the motives, mostly snobbish, of his former dupes, is amusing and very likely just. M. J.

What Are We To Do With Our Lives? By H. G. Wells. (Heinemann. 3s. 6d. net.)

A revised and re-written edition of Mr. Wells's "Open Conspiracy." The publishers say on the jacket that "It contains an answer to the present crisis in human affairs and a workable plan for the way out." (Their italics.) This shorter version of "The Open Conspiracy" is very much better than the original book. I do not find that *What Are We To Do With Our Lives?* contains "an answer" to that question, nor to the present crisis in human affairs. And as for "a workable plan," I find no such thing. It is Mr. Wells talking—chatting—about things in general, the way things seem to him to be drifting . . . the tendencies here and there of thought and action. And the way he wants them to drift. . . It is all looking on. In fact, it ought to have been called "Looking On." Not merely looking on at the world game—but looking on towards the future ages of mankind; towards a future when, as he says at the end of this book, "men will sit with history before them, or with some old newspaper before them, and ask incredulously, 'Was there ever such a world?'" Altogether a stimulating little book for those who want to feel they can be doing something to help us out of "the present crisis in human affairs" without doing anything in particular. Or so it seems to me. I do not complain that the Open Conspiracy is not, and is not to be, a group, a movement, or an organisation. That is obviously sound. I complain that the Open Conspirator is utterly helpless and at the mercy of the Banking System: that this is not only not made plain to him, but actually fogged by the wide and hazy outlines of a world view; that he is not free in the present state of economic chaos to do what he might wish to do with his life; and that he is continually pumped full of Vast Evolutionary Hopefulnesses, so that, instead of concentrating upon the one problem before mankind—how to get *Plenty in the midst of Plenty*—he swallows the Bankers' World Propaganda about "the interdependence of nations" and sees all things evolving towards a Good Time Coming—thousands or millions of years ahead. Never now. S. R.

The Method of Creature Evolution. By Annie C. Bill. (A. A. Beauchamp, New York.)

In this little book the author advances a theory of the basic plan according to which man evolves. She describes seven stages in the development of each idea: (1) Its theory; (2) construction of the various parts; (3) assembling them in a miniature model; (4) equilibrium of the system—common consent won to its general development and application; (5) collective higher achievements through its adoption; (6) full fruition and satisfaction; (7) individual discernments of the next logical unfoldment. The octave marks a recurrence of the creative series in a new development. Thus individual view-points may be envisaged as emerging from the "sea of common consent" and then reacting upon that ocean to raise the level of its tides. A symbol of aristocratic democracy is thus obtained which ought to appeal to Social Creditors. It is rather a pity, however, that in her excursions into the realms of "higher dimensionality" the author calls M. Ouspensky to her aid, since he undoubtedly lacks her balanced understanding and has nothing but contempt for the "sea of common consent." The book contains several complicated diagrams which are greatly in need of textual elucidation. N. M.

The Doom of Gold. When and Why Gold will be Demonetised. By A. S. Baxendale. (Cecil Palmer. 23 pp. 1s. net.)

Mr. Baxendale is convinced that the use of gold as a basis of currency is out of date and will in time be abandoned. In its place he recommends "sane currency," which is doubtless described in earlier works. It is refreshing to read a monetary reformer who is not obsessed by any nonsense about prices; in fact, the word is only mentioned four times (and then mainly refers to the prices of gold and silver). W. L. B.

LETTERS TO THE EDITOR.

SOCIOLOGY AND THE LAW.

Sir,—In your article "Sociology and the Law" you refer to the hundreds of pounds to be made out of the murder of an insured child. Do you know the maximum number of shillings for which the law permits a child's life to be insured?

If you refer to an endowment policy it may interest you to know that in the event of the child's death before the expiring of the agreed term, the net premiums paid are returned, without interest, to the assurer.

It is regrettable that a paper like THE NEW AGE should publish a merely silly and uninformed article like that of John Grimm (in the issue of April 21), it is more so when the Editorial contains mis-statements likely to discredit the paper in the minds of persons with any knowledge of insurance.—Your faithfully, DOROTHY SINCLAIR.

22, Beaufort-gardens, Hendon, N.W.4.
 [(1) We did not say or imply that anybody could make money by murdering an insured child. It was not necessary for our argument. (2) We were aware that insurance companies have protected themselves against such a contingency. (3) We were unaware that insurance companies confiscated the interest on endowment-premiums paid under policies which do not mature: we note your statement that this is so. (4) With reference to John Grimm's "silly" article you leave us to discover where the silliness is. Our fee for making a search is 5s.—ED.]

ANSWERS TO CORRESPONDENTS.

THE WAR-LOAN RAMP.

The following private reply to a correspondent explains itself, and is of general interest, so it is reproduced below.

Banks lent money all over the country to their most important clients at 4 per cent. which they paid to themselves out of the 5 per cent. paid out by the Government. Of course they bought and kept certificates on behalf of these clients. The clients made the difference of 1 per cent. for nothing. Your brother implies that everybody paid "hard cash" (meaning, we suppose, personal earnings or other credits) for War Loan. But the "hard cash" in the country in August, 1914, was £900 millions; and in 1918 the owners of this cash, after buying £7,000 millions' worth of War Loan, possessed £2,000 millions of hard cash. In financial terms, Bank deposits rose from the £900 to the £2,000 millions during that period. The reason was that all bank loans and purchases of securities create deposits—every bank loan adds new credit to that in circulation. (Authority: Rt. Hon. Reginald McKenna, Chairman of the Midland Bank, in *Post-War Banking Policy*.) This is also the reason why the banks did not buy War Loan on their own account to more than a certain amount, for supposing they had bought the whole lot (as they were perfectly able to do) they would have had to show their holding in their balance sheets under "Investments" and show contra-entries on their assets side to the same amount. Of that amount probably not less than £5,000 millions would have had to be declared as "Reserves," i.e., profits earned for their shareholders. This would attract public attention and put ideas in people's heads!

It may be asked: Why, if bank purchases create deposits and the banks were to buy all the War Loan, would not the banks' balance sheets show liabilities to depositors to the same amount? The answer is that all repayments of loans to the banks as well as all purchases of securities from them "destroy deposits" (Mr. McKenna again the authority) and that it is the practice of banks to recall their loans within a comparatively short time and to refrain from over-investing credit in business or Government enterprises. Theoretically the banks would show liabilities to depositors to the amount of £7,000 millions provided (a) they created a credit of that amount and bought War Loan with it; and (b) left the credit outstanding. For the Government would pay the contractors for munitions, etc., and these would pay the money in as deposits. But the banks do no such thing, and, in fact, as already indicated, the total of deposits held by them at any time during the war was somewhere along the ascending curve from £900 millions to £2,000 millions—the last-named figure being the peak. They brought about this result by issuing new credits for War Loan in a succession of instalments, not in one block issue of £7,000 millions, and by calling in the earlier issues more or less coincidentally with making the later ones. Additionally they planted their earlier Loan stock on the public coincidentally with buying later War-Loan stock on behalf of the public. For example, they collected and cancelled the "hard cash" which your brother says he paid them for his holding.

CARTOON BY "JOT" (No. 7)



THE FAMOUS OOZLEM BIRD.

"Ladies and gentlemen,—here we see the most Re-markable Oozlem Bird. This bird, when attacked by his enemies, as-cends in the skies, flying in ever de-creasing circles, until at last he dis-appears into his own inside—from which point of vantage, ladies and gentlemen, he ee-mits cries of de-rision at his baffled pursuers!"

[The Oozlem Bird symbolises the new principle of reasoning, which supersedes the inductive and deductive principles, and is called the indeductive principle. Indeduction leads to indecision, and thus preserves the "open mind" which regards the problems of the day as objects for contemplation, not subjects of action. By indeduction one arrives at the happy mean between ultra-rationalism and infra-rationalism, where reason flies into itself and vanishes. Intellectual indecision means emotional concord—hence the indeductive principle lays the true foundation for World Peace.]

ACADEMY CINEMA, OXFORD STREET
(Opposite Warings). Phone: Gerrard 2981.
EXCLUSIVE RUN. EIGHTH WEEK.
LEONTINE SAGAN'S
"MADCHEN IN UNIFORM"
A Psychological Study of Adolescence.
and Epstein's "MOR-VRAN."

THE CAMBRIDGE THEATRE,
CAMBRIDGE CIRCUS. Term. Bar 6056.
THIRD WEEK. EXCLUSIVE PRESENTATION
FRITZ LANG'S GREAT FILM SENSATION
"M"
A Nero Production
PRICES 1/6-8/6. CONTINUOUS PERFORMANCE 2-11.

T.B.—A FREE BOOK.
5,000 TO BE GIVEN AWAY.
Any sufferer from this disease who has not yet read the book recently published at 3/6 by an English physician on the treatment and cure of Tuberculosis, may have a copy, whilst the supply lasts, sent free of charge to any address. Applications to
CHAS. H. STEVENS, 204, Worple Road, Wimbledon, S.W.20.

HOLIDAY Season. Paying Guests. Excellent Farmhouse, $\frac{1}{4}$ mile main line station. Bath, h. & c. Indoor modern sanitation. Liberal table, own produce. Broads and coast accessible. Social Credit students very welcome at The Grove, Fornsett, Norfolk.

THE "NEW AGE" CIGARETTE

Premier grade Virginian tobacco filled by hand in cases made of the thinnest and purest paper, according to the specification described in this journal on January 23, 1930.

Large size (18 to the ounce). Non-smouldering.

Prices: 100's 7/6 (postage 3d.); 20's 1/6 (postage 2d.)

Price for Export ex English duty quoted on minimum quantity of 1,000.

FIELDCOVITCH & Co., 72, Chancery Lane, W.C.2
(Almost on the corner of Holborn and Chancery Lane).

The Social Credit Movement.

Supporters of the Social Credit Movement contend that under present conditions the purchasing power in the hands of the community is chronically insufficient to buy the whole product of industry. This is because the money required to finance capital production, and created by the banks for that purpose, is regarded as borrowed from them, and, therefore, in order that it may be repaid, is charged into the price of consumers' goods. It is a vital fallacy to treat new money thus created by the banks as a repayable loan, without crediting the community, on the strength of whose resources the money was created, with the value of the resulting new capital resources. This has given rise to a defective system of national loan accountancy, resulting in the reduction of the community to a condition of perpetual scarcity, and bringing them face to face with the alternatives of widespread unemployment of men and machines, as at present, or of international complications arising from the struggle for foreign markets.

SUBSCRIPTION RATES.

The Subscription Rates for "The New Age," to any address in Great Britain or abroad, are 30s. for 12 months; 15s. for 6 months; 7s. 6d. for 3 months.

CREDIT RESEARCH LIBRARY.

Books and Pamphlets on Social Credit.

BRENTON, ARTHUR.
Social Credit in Summary. 1d.
The Key to World Politics. 1d.
Through Consumption to Prosperity. 2d.
The Veil of Finance. 6d.
C. G. M.
The Nation's Credit. 4d.
DOUGLAS, C. H.
Economic Democracy. 6s.
Credit Power and Democracy. 7s. 6d.
The Breakdown of the Employment System. 1d.
The Control and Distribution of Production. 7s. 6d.
Social Credit. 7s. 6d.
The Monopoly of Credit. 3s. 6d.
These Present Discontents: The Labour Party and Social Credit. 1s.
The World After Washington. 6d.
Social Credit Principles. 1d.
Warning Democracy. 7s. 6d.

DUNN, E. M.
The New Economics. 4d.
Social Credit Chart. 1d.

GORDON CUMMING, M.
Introduction to Social Credit. 6d.

H. M. M.
An Outline of Social Credit. 6d.
HATTERSLEY, C. MARSHALL.
This Age of Plenty. 3s. 6d. and 6s.
Men, Machines and Money. 4d.

HICKLING, GEORGE. (Legion of Unemployed.)
The Coming Crisis. 2d.

POWELL, A. E.
The Deadlock in Finance. 3s. 6d.
The Flow Theory of Economics. 5s.

TUKE, J. E.
Outside Eldorado. 3d.

YOUNG, W. ALLEN.
Ordeal By Banking. 2s.

W. W.
More Purchasing Power. 25 for 6d.

Critical and Constructive Works on Finance, Economics, and Politics.

BANKS, PAUL.
People Versus Bankers. 6d.

DARLING, J. F.
Economic Unity of the Empire: Gold and Credit. 1s.
The "Rex"—A New Money to Unify the Empire. 2s.

HARGRAVE, JOHN.
The Great Pyramid—An Analysis of the Political-Economic Structure of Society. (With diagram.) 1d.

HORRABIN, J. F.
The Plebs Atlas. 1s.
An Outline of Economic Geography. 2s. 6d.

MARTIN, P. W.
The Flaw in the Price System. 4s. 6d.
The Limited Market. 4s. 6d.

SYMONS, W. T., and TAIT, F.
The Just Price. 2d.

Instructional Works on Finance and Economics.

BARKER, D. A.
Cash and Credit. 3s.

CLARKE, J. J.
Outline of Central Government. 5s.

Address: 70, High Holborn, London, W.C.1

Published by the Proprietor (ARTHUR BRENTON), 70, High Holborn, London, W.C.1 (Telephone: Chancery 8470), and printed for him by THE ARGUS PRESS LIMITED, Temple-avenue and Tudor-street, London, E.C.4.