

THE NEW AGE

INCORPORATING "CREDIT POWER"

A WEEKLY REVIEW OF POLITICS, LITERATURE, AND ART

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CONTENTS.

	PAGE		PAGE
NOTES OF THE WEEK	157	MUSIC. By Kaikhosru Sorabji	165
The Kellogg Note to China—Colonel House dines with the Prince of Wales and Mr. Baldwin. The Thomas Wage-Pact, the railwaymen, and the country. Professor Morgan on bureaucratic government. The <i>Evening Standard</i> and the world's sugar surplus.		Paul Robeson. <i>Turandot</i> .	
AN APPEAL TO ARISTOCRACY. By William Repton	162	WHY FILMS GO WRONG. By David Ockham	165
CURRENT POLITICAL ECONOMY. By N.	163	<i>The Man Who Laughs</i> , <i>Napoleon</i> , <i>Love's Crucifixion</i> .	
RURAL LIFE AND LORE. XVII. Some Curiosities in Animal Life. By R. R.	164	VIEWS AND REVIEWS. Leninism. By Alan Porter	166
ART. By L. S. Abbey Gallery.	164	Leninism. (Stalin.)	167
		TWELVE O'CLOCK. By Sagittarius	167
		REVIEWS	
		<i>The Signpost Series</i> . Lord Haig.	167
		LETTERS TO THE EDITOR	
		From H. J. D. Thompson and F. G. Bushnell.	166
		VERSE. By A. Newberry Choyce	

NOTES OF THE WEEK.

America's Note to China, announced a few days ago, underlines one of our main comments of last week, which analysed the commercial motivation of her political peace gestures. A short report in the *Evening News* of last Thursday begins as follows:—

"The United States, which feels its prestige immensely enhanced by the success of its proposals for multilateral treaties to outlaw war, is now preparing to assume world leadership in the formulation of a new policy towards China." (Our italics.)

That is to say, America, having secured the signatures of her chief commercial rivals to a Pact to outlaw the exercise of military power, has formally established the principle that financial power is the supreme arbiter of politics and commerce. The "Yes" or "No" to all the major problems of the world is now to depend upon spending-power and not on fighting-power. That means America on the world's throne. Her "immensely enhanced prestige" is fed from two sources; one being the emotion of pacifists at the spectacle of her velvet glove, and the other being the realisation by experienced statesmen of the iron hand inside it. Europe's response to the Kellogg overture was tardy and obviously reluctant—especially in the case of Britain, whose Chinese opinion has the above dual character: while the unsophisticated Chinaman sees in America the repository of an idealism, the sophisticated Chinaman sees in her the repository of the power to impose it on Europe. America is in the position at present to exploit China's revenge-complex against Europe; and it becomes important to ascertain what use she will try to make of her power.

America begins by ordering the withdrawal of 1,500 officers and men of the Marine Corps from Tientsin; and this act is regarded as the first step towards the complete retirement of all her troops and the "recognition of the Nationalist Government." (*Evening News* report.) Since such a Government is

to co-operate with America in saving China, it must be composed of Ministers who accept America's plan of salvation. So, if plans go right, China will be in a position corresponding to that of Mexico and Nicaragua, with the one difference that she will be a consenting party to this arrangement whereby her statesmen will administer a dollar policy.

There is an indication of the proposed objective of such policy. The American Note refers generally to the "unequal treaties" and specifically to treaties concerning Customs and extra-territoriality. Presumably these treaties are to be abrogated or drastically revised. As they exist now European countries (and chiefly Britain) are a law to themselves in the territory they occupy. But, more important, this territory contains the mechanism of customs-collection, with the practical result that Europe has a firm grip on China's finances. Europe has first dip into Chinese revenues, and leaves the Chinese Government to do the best it can with the balance. Now, directly one conceives Wall Street as the effective Government of China, this state of affairs cannot continue. The "open-door" policy in that country must be interpreted to include something more than a formal recognition of equality of trading opportunities between foreign nations; it must throw open the question of customs monopoly, and redistribute that privilege, with the probable result that America will end up with her 51 per cent. balance of control.

How America will work out the plan is a matter of speculation. But since, as we said last week, the burden of European debt-charges on China has been made the subject of much caustic comment in the United States, it is a probable hypothesis that America's next gesture will be to propose a wider cancellation of Chinese debts. This would be a logical extension of the cancellation of the Boxer indemnity. If European Governments could be induced, or forced, to remit or write down their financial claims, America could immediately point

out to them that they did not now require to hold so valuable a pledge as their control of China's customs-policy. She might even offer to go bail for China's integrity, and propose that the customs-control should revert to the Nationalist Government. What could Europe say? Statesmen in Berlin, Paris and London would know that this would be putting China in a Wall Street strong-room, but they could not publish their objection because it would be a confession of their own policy in the past.

The foregoing paragraphs were written on Friday morning last. On Saturday when we opened our *Daily News* we noticed a headline: "China Treaty Surprise," and under it the following report:—

"A surprise was sprung upon the diplomatic world yesterday by the announcement from Washington that the United States on Wednesday last signed at Peking a new Tariff Treaty with China, 'making effective the complete national tariff autonomy of China on January 1, if ratified by that date.'"

THE NEW AGE ought to be a daily paper; for then we could publish our tips before our contemporaries announced the winners. However, in this case it does not matter, because it must be some months ago that we picked out and emphasised the Chinese-customs control as the financial key-position of government in that country. The above report continues:—

"The policy of the U.S.A. is in direct conflict with the policy of Japan, that country having refused to consent to China's proposal for the abrogation, or even the revision, of trade treaties."

The new Peking treaty would involve the scrapping of all discriminatory privileges enjoyed by European countries under existing treaties. A British United Press cable from Peking in the *Daily News* of Saturday states that:—

"The Japanese Press is attacking the United States for its action in proposing a new treaty with the Nationalist Government granting tariff autonomy to China. The treaty is described as a deliberate attempt to embarrass Japan."

Reuter cables a transcript from the *North China Standard* which describes the treaty as "sugar-coated," and as an "anaesthetical masterpiece"; and another from the *Pekin Leader* declaring that it marks the beginning of a period of treaty-making which will "see the complete relaying of the foundation of China's foreign relations."

When America takes a hand in affairs of large financial magnitude like this, we begin to look round the nearest corner to see where Mr. Bernard Baruch is. Our readers will remember the information we published on March 11, 1926, about this gentleman, in a review of Dr. Seymour's book "The Intimate Papers of Colonel House." Mr. Baruch described himself as the "Disraeli of America." During the last war he became the sole dispenser of credit-licences to the whole of the American industries. He admitted himself that he had the power to stand the Allies in a queue and decide in what order of priority they should be supplied with goods by the American manufacturers. After the war he came to Europe with the bankers and was Chairman of the Commission that represented America at the Economic Conference. This, and a great deal more information was told in the article to which we refer—and we remarked how strange it was that while Mr. Baruch and Colonel House must both have been in almost daily personal contact with President Wilson during those years, Colonel House gave no indication in his "intimate papers," of being intimate with him. There is no doubt at all that although Colonel House was ostensibly directed in his roving diplomacy during the war by President Wilson, he was really instructed by Mr. Baruch. He could not have con-

ducted his delicate missions as he did unless he had been constantly posted up with particulars of Mr. Baruch's policy.

We have not heard anything much of either of these financo-diplomatic plenipotentiaries for some time. But last Thursday we noticed Colonel House's portrait illustrating a paragraph by the "Man About Town" in the *Evening News*. The paragraph stated that the Colonel had dined privately on the previous evening with the Prince of Wales and Mr. Baldwin. This is the paragraph:—

"The night before, the Prince of Wales had met Colonel House, President Wilson's personal representative, whom United States Democrats dubbed 'The Texas Talleyrand'; and Colonel House said many things about the war and the Press. So last night the Prince had Colonel House to dinner and invited Mr. Baldwin to meet him."

It would have looked better if the Prince had "had" Mr. Baldwin to dinner and "invited" Colonel House to meet him. But that is a minor issue so long as Mr. Baldwin avoids being had by Colonel House. For we do not suppose that the Prime Minister was called to dinner in order to listen to the Colonel's gossip about a war that was over ten years ago, and about a Press that, worse luck, is still with us. Not that, on the other hand, the Colonel expatiated too freely what is being cooked up for us in America. He has doubtless done all that with the Governor and Court of the Bank of England and British Treasury officials—the dinner with the Prime Minister being a sort of social relaxation after the real business has been finished. There was scope for interesting conversation otherwise. Perhaps the Prince of Wales described his experiences when he visited Latin America to stiffen its resistance to United States penetration. Perhaps he did not.

On Sunday the Peking correspondent of the *Observer*, in a commentary on the situation, mentioned that in 1925 the British Government made the same offer to confer fiscal autonomy on China as is contained in Mr. Kellogg's treaty, but that it was dropped precisely because "neither the United States nor Japan could at that time bring herself unconditionally to agree to it." If that is so, it is evident that there has been a change either in the conditions attached to the original offer or in the general circumstances in which they were respectively made. According to the above correspondent, the only difference between the American and British attitudes is the official view in London that Britain ought to receive compensation for losses incurred by the Nanking outrages of March 24. On the face of it this appears to be an improvised explanation. The demand is too trivial in itself, although it may assume importance; because whenever China has been forced to undertake to give a "compensation" she has been obliged to pay a tangible pledge for its payment; and the pledge has always taken the form of a transfer of tax-collecting or duty-collecting rights to the creditor nation. But to repeat that procedure now would be in direct conflict with the principle of China's financial autonomy which America has undertaken to recognise and guarantee. And again, the mere idea of debiting China with any fresh indemnity at all is at variance with America's formal policy of writing-off, as exemplified by the cancelling Boxer indemnity to which we have just referred. As we read the situation, America is preparing to say to the European creditors of China: "We are going all your pledges to the Chinese Government." Unfortunately such a redistribution of privileges will only embitter international relations, even if carried out equitably; because the financial solvency of every European nation, and America as well, depends on

its securing an "unfair" advantage in the world's markets. There is no remedy but a revolution in domestic financing and pricing on Social Credit principles. The external scramble for foreign trade and revenue arises solely from the neglect by every Government to create a home market. The creation of such a market is within the power of every Central Bank. Instead of Governments laying down conditions on which they will "recognise" China, they would do better to lay down new conditions on which they will "recognise" their own banking-systems.

Mr. J. H. Thomas goes from triumph to triumph. His latest exploit must have brought him a long distance towards that Washington Ambassadorship to which a newspaper once hinted that he aspired. Having owned a South African parrot his ornithological experience should stand him in good stead when taming the American eagle. The sooner he begins the better, for we are getting tired of his experiments in man-taming. Like Mr. Snowden, we are all for moral heroism, and agree that it is a noble sight to see the N.U.R. sacrificing £3,000,000 per annum on the altar of social good-will. But after all, there is such a thing as commercial good-will—much as we hate to mention it in our present mood of uplift. Mr. Keynes ought to write another pamphlet entitled "The Economic Consequences of Mr. Thomas."

To get a clear picture of what is going to happen we may imagine the railwaymen all to be customers of a single supply trust run as a limited company. On the "appointed day" this trust commences to lose revenue at the rate of £3,000,000 a year. Capitalised on a 5 per cent. basis this represents a reduction of £60,000,000 in the value of the trust as a going concern. The earning-power of its share-means that its borrowing-power is reduced by the £60,000,000 amount. If you suppose that before the change in the situation all its share-capital were pledged for working capital borrowed from the banks, the trust would be called upon to repay loans proportionally to this £60,000,000 drop in its deposited security-value. In the meantime, it would, of course, have reduced its output of goods by such a quantity as was equivalent to £3,000,000 a year. But its consequent saving of expenditure would not even begin to approach that sum. The trust could save only its direct charges, leaving its standing charges exactly what they were. Therefore the mitigation of its financial burden due to reduced production costs would be negligible. Moreover, there would enter another factor—the psychology of the investor. Directly it became known that the trust was about to be deprived of this enormous supply-contract, the Stock Exchange brokers would be flooded with orders to sell telephoned and telegraphed by weaker holders of the trust's shares. The market would weaken and weaken until much more than the £60,000,000 might be written off their aggregate value. The final consequence would be that the trust, although now carrying out a smaller programme of production, would find much greater difficulty in borrowing sufficient credit to finance its operations.

Again, since the quantity of output had become smaller, while overhead charges remained the same, the cost per unit of the restricted production would rise; and if the trust were a monopoly-trust it would raise its prices. If it did not, its share values would go down still further. But if it did, it would receive fewer orders, and consequently have to reduce production yet again, whereupon its overhead charges would render yet another rise of price necessary.

Further: when first reducing production it would dismiss employees, who would go on the "Dole" or go to the Guardians. Presuming these men also to be customers of the trust, they would be worse customers by the difference between their past earnings and their present benefits. So the trust would drop extra revenue on this account also, with all the consequences above analysed.

Lastly: the trust would be driven in the end to throw itself on the mercy and goodwill of its own employees. And if these men had a leader like Mr. Thomas the appeal would be successful, and one more act of heroism would "go down in history." For the ensuing consequences readers are recommended to refer back to the commencement of this rough analysis and read it through, repeating the process until they have seen the last director, workman, and consumer in Britain safely under ground.

But what about the railway companies? They are thankful for the men's gift, but say that it is not sufficient to bridge their losses. It is true that the Government proposes to subsidise them at the public's expense, but they must pass on the subsidy in discounts from freight-rates. The only suggestion made in the Press relative to the railway companies' still-existing losses is the comfortable reflection that these will be made up by the "expansion of traffic." This is yet one more example of the mildewed illusion that work and money are convertible terms. Traffic is not revenue. Expanded traffic can only follow an expanded demand for traffic. And an expanded demand must have money in its hand before it can expand the traffic. Where is this money to come from? We suppose the answer will be "the foreigner" as usual. We will wait and see.

In the meantime a newspaper affords a clue to the identity of at least one beneficiary of this huge wage reduction. (We have been an unconscionable time finding one, to be sure.) It says of one great railway company's present position that not only is it potentially unable to pay dividends on its ordinary stock, but is unable to do so on that part of its stock which is scheduled as a "trustee security." Now "trustee" securities are gilt-edged securities: they are the sort of securities to which cautious and sound enterprises like banks and insurance companies largely confine their investments. So the public should be reassured to know that while the sacrifices of the members and victims of the N.U.R. Executive are regrettably less than was hoped, they are at least sufficient to enable the railway companies and dispensers. So long as the banker bobs and beams it does not matter so much who sobs and screams.

We heard a unique comment on the situation on the night of the announcement of this "historic" compact. It came from a working-man. After a slighting remark about the railwaymen as "b—fools" who "think they've got a rise," he went on: "But you wait: there won't 'arf be some pinching on the railways now."

The *Evening News* of July 26 and 27 contains an article by Mr. J. H. Morgan, K.C., Professor of Constitutional Law in the University of London. It is entitled "How Whitehall Usurps Power," and deals with the encroachment of bureaucracy on Government. Professor Morgan says:—

"In 1920 the number of Acts of Parliament was 67; the number of 'statutory Rules and Orders' made by the Departments was 2,110; in other words, for every statute

there were 31 statutory Orders. In 1927 the proportion was exactly the same. . . ."

"At a rough guess I should put the number of statutory Rules and Orders at 20,000. He who offends against them is 'supposed to know the law.' How can he know it?"

Discussing the manner in which, in a certain section of the Rating and Valuation Act of 1925, the Minister of Health, "with the aid of a drowsy House of Commons," took power to "do anything which appears to him necessary" for carrying out the Act, but his own orders "into effect," Prof. Morgan remarks:—

"That a Minister should be able to alter 'by Order' the very Act of Parliament under which he is authorised to make his Orders is, as the Lord Chief Justice trenchantly observed, 'the high-water mark' of bureaucratic legislation."

The article contains a number of striking examples of abuses perpetrated by the bureaucrat, and is well worth the trouble of consulting. One of these he commends to the attention of Lord Hewart, who is engaged in writing a book on the subject. But the one he selects is not the most important from our point of view. We commend our selection to students of applied finance.

"And now as to control. Publication is not control, but it at least enables the general public to know what Departmental rods are in pickle for them. Therefore in 1891 a member introduced into the House a Rules Publication Bill providing that, where a statutory Order was not required by the enabling statute to be laid before Parliament for some period before it came into operation, the draft of it should be published in the London Gazette at least 40 days before it would come into force.

"This, one would have thought, was sufficiently modest publicity to placate even the bureaucrats, for the number of people who have ever so much as looked at the London Gazette must be small indeed. . . . But the Departments opposed the Bill tooth and nail. It took two years to pass it into law. Even so, it only got through on the condition, laid down by the bureaucracy, that the Ministry of Health—then known as the Local Government Board—the Board of Trade and the Revenue Departments should be all exempted from these requirements of publicity. Those Departments, therefore, still legislate in darkness." (Our italics.)

In a word, the finance-economic Departments reserved the privilege of secrecy. Prof. Morgan explains that when the Rules Publication Act required the "submission of Orders to Parliament" it meant that a draft of the proposed Order or Rule was to be laid on the table of either or both Houses for a period of twenty-one, thirty, or forty days. The Act was passed in 1893. What followed was this:—

"The Departments, avoiding publicity in the *London Gazette*, began to draft the statutes, under which their Orders were empowered to be made, with a clause requiring the alternative 'submission' of the Orders to Parliament. One day about seven years after the Act a noble lord happened to look at a statutory Order lying for the period of its legislative accouchement, on the table of the House. On the back-sheet was the title of the statutory Order, but, on his opening it, the back-sheet was found to contain nothing inside it but a blank page. In other words it was a dummy, and disclosed nothing of the contents of the proposed Order."

On March 29, 1900, the Lords issued an Order of the House requiring all statutory Orders submitted to them to be printed in full and circulated. A few days later the Speaker of the Commons made an Order to the same effect, but omitted the requirement as to circulation. A year later it was discovered that the Departments had again got the better of the House of Commons by supplying one printed copy of each statutory Order for the whole of the 670 members, and by placing it in the Library. Professor Morgan comments: "Presumably the only reason

why they did not place it in the lavatory was because that place is more frequented."

Professor Morgan deals also with the dodging of the Courts by the bureaucrats. One of his instances is that of the arrest of Mr. O'Brien under an Order in Council of 1920, making provision for the "Restoration of Order" in Ireland. Mr. O'Brien applied to the High Court for a writ of Habeas Corpus, and succeeded, the Court holding that the Order was *ultra vires* and the arrest illegal. This, of course, upset the bureaucrats.

"In something very like a state of hysteria, they proceeded to issue a new Order in Council, while Mr. O'Brien's application for the writ was actually pending, in an attempt to legalise *ex post facto* their illegal act. But the Court of Appeal was much too wide-awake: they ordered the release of Mr. O'Brien and declared the new Order in Council as illegal as the old. "It adds a new terror to litigation with Government officials," the court observed, "if they can make Orders in Council, while a case is being argued, in order to assist their argument." (Prof. Morgan's italics.)

Concluding his article is a paragraph headed "What Can Be Done?" Practically nothing can be done to get an objectionable Order annulled. But safeguards may be introduced to stop the nuisance.

"Lord Justice Sankey, in a most valuable little book, which I commend to every reader of *The Evening News*, 'The Principles and Practice of the Law To-day' (2s. net, from the *Solicitors Journal*) has offered us one. It were well that Members of Parliament take note of it. He suggests that no Departmental regulation should become law until it has been submitted to the scrutiny, and approval, of a joint committee of both Houses of Parliament, submitted, he wisely adds, 'for argument' as well as approval."

The suggestion is sound in principle, but impossible to carry out in practice unless one assumes a great reduction in the number of Orders submitted.

The lesson to be learned is that where you have centralised control you have got to put up with a bureaucracy. It is of no use for Parliament to insist on its right to approve these Orders unless it has time to examine and debate them. And the truth is that Parliament is stuffed with work as it is. The end of every Session sees the scrapping of an enormous quantity of semi-debated legislation. Unless Parliament sits longer, or gives up other functions, it cannot make room for any extension of its duties. A far more fundamental indictment of our political system lies in the fact that even constitutionally debated Acts of Parliament are themselves statutory Orders proceeding from the Treasury under the inspiration of the Bank of England. Take, for instance, the Currency and Bank Notes Act. Would there have been an iota of difference if Parliament had never seen the Bill? Practically every spokesman in the debate expressed the sentiments of the banking interests without even faintly realising their content or implications. Most of them would admit it—even boast of it—saying that in a technical matter like this "the bankers know best." That is only a specific aspect of the wider doctrine: "The bureaucrat knows best." Political administration as a whole is a technique and must have its experts. Democratic Parliamentarians may dislike the technique, but before they pillory the experts because of the bureaucratic quality of their technique, they will do well to make quite sure that the trouble does not lie in the fact that the general policy of Parliament virtually requires bureaucratic administration.

For instance, take Parliament's acquiescence in legislation that creates new offences—its persistence

in multiplying sacrifices and fractionising benefits for the community. How can it expect administration to keep pace with the ingenuity of an ever-widening number of manufactured "law-breakers" (whether their offences are deliberate or accidental) unless expert administrators are allowed powers of *quick improvisation* in regard to disciplinary methods? After all, bureaucracy is the flying squad of the political system.

Prof. Morgan quotes a judge as complaining that a mere Government clerk can write something down by a whim, and that what he writes automatically has the effect of statute law. Quite so. But the clerk is responsible to his immediate superior for his "whim"; and his superior is responsible to a higher superior for allowing him his whim. Go back through the whole series of these delegations of responsibilities from the end-point of any abuse to the starting-point of its evolution, and you will enter—Mr. Montagu Norman's inner sanctum at the Bank of England. The bureaucrat owes and yields allegiance to the law giver and paymaster. The Bank is both: Parliament is neither. The bureaucratic expert does his work with masterly efficiency, and does it conformably with the requirements of the policy he is administering. The root of the whole trouble is that the banks and Parliament are at cross-purposes, and that whereas the banks know *what they want* and realise quite clearly *what their policy entails*, Parliament has not begun to learn about either. The Legislature must realise that its power to delimit the power of the bureaucrat is a function of the power of controlling credit; also that even with the power of credit-control it will still have to sanction bureaucracy unless it adopts a new credit-policy.

Another complaint of Prof. Morgan's is the difficulty which the average citizen has in "knowing the law." But the average citizen only needs to know the law insofar as the law threatens him. His confusion arises not from the intricacy of the law as such, but from the multiplicity of its prohibitions and penalties. Every good citizen has to learn a bad law, but only the bad citizen needs to learn a good one. It may sound Utopian, but it is nearer the truth than most people imagine to say that under a reformed system of economics any citizen who was true to himself would know all the law he needed to. A normal social instinct would suffice, for the law would proceed from that instinct. To-day, the whole section of the law concerned with the administration of finance flagrantly transgresses the dictates of every normal instinct. It seeks to discipline a whole people into a condition of penury and imposes penalties on every reaction against the prospect. Since, as we are constantly proving, there is not the slightest reason for penury, the law is *ultra vires* and immoral.

It appears right and proper that a man who, like the executed Browne, burns down his garage to get the insurance money should be punished. But nevertheless, under our inverted system of income-distribution such an act of destruction confers economic benefits to innocent people by creating paid jobs for them. The truth is not easily seen, but that is merely because the fire is only a little one. But let there be a huge conflagration in which, say, fifty million pounds' worth of property is destroyed, and instead of £50,000,000 disappearing from the country's purse, there would suddenly be new money coming into existence from nowhere to rebuild it. People thrown out of employment would suffer a reduction in incomes during the reconstruction, but industry elsewhere would get £50,000,000 of work to do. Somebody will object

that, after all, the £50,000,000 would have to be repaid from somewhere or other. It might—but that would depend upon whether the public were smart enough to question whether money which can come from nowhere whenever a catastrophe happens need go back there when there is no catastrophe. They may even become philosophic enough soon to see that a financial system which thus accredits wealth-destruction and discredits wealth preservation is encouraging tendencies to the very crime which the legislature is trying to discourage. For instance, if this country continues to be bled by Somerset House much longer the crime of tax-evasion will have to be categorised among the normal human reflexes. We are getting near to it when a titled gentleman can claim, as he did in open court recently, that he had the right to "evade taxation by every constitutional means."

The following paragraph is a reproduction—only slightly modified—of a series of notes in "A City Man's Diary" in the *Evening Standard*:—

The world sugar situation increases in complexity almost daily. "As one authority described it to me yesterday, 'we are faced with a plethora of sugar, which shows every sign of growing worse.'" Colonel Tarafa, a Cuban Commissioner, is coming to Europe to consult the Continental producers about it. Meanwhile the re-arrangement of British duties on raw sugar has faced the Czechoslovakian producers with the worst crisis in their history. It has closed the British market to them. They are appealing to their Government for a subsidy to assist them to "force their way back into the British market." We may, therefore, anticipate a possible glut of cheap refined sugar on the British market. Meanwhile somebody in Java has discovered a new breed of sugar cane. It was first tried out two seasons ago, and the crop increased from 1,900,000 tons to 2,300,000 tons on the same acreage. The use of this cane is in its early days; so we may expect an ever-increasing crop of cheap sugar from Java. Other producing countries are anxious to adopt the new cane, and if it behaves well in their climates a big general increase of sugar can be expected. This will mean a world glut, because although "consumption is increasing slightly" it is "not keeping pace with production." The only factor which may delay it is the news that the Cuban sugar areas have been attacked by the "mosaic" disease, which reduces crops considerably.

This presents two outstanding pictures:

- (1) The world's producers consulting to decide how they can restrict sugar output.
- (2) The same producers individually competing to get hold of a new prolific cane to increase their crops.

Incendiaries by day and firemen by night. We cannot resist the impulse to parody Mr. J. C. Squire:—

God heard the bankrupt sugar-growers fret:
"God, grant us harvests—God, take them away—
Send sugar—pests—neither or both we pray."
"Good God," said God, "they won't half make me sweat!"

Some twenty-five years before the war there used to be sold a sweetmeat called a "halfpenny turnover." Now and again, when this was broken open there was found inside it—oh, joy!—a threepenny-piece neatly wrapped in tissue-paper. What a grand thing if somebody could discover a sugar-cane which grew money inside it, and the money were exactly the same as the cost of the cane! The more sugar, the more sugar-money. And, to generalise about every kind of useful thing, the more the production, the more the barter-money. Everything could be sold while anybody wanted it. Done that way it would be a miracle. But it can be done another way without a miracle.

An Appeal to Aristocracy.

By William Repton.

In Joseph Capek's play "The Land of Many Names," a play symbolising the highest hopes of those who thought there would be a better world at the end of the war, an aeroplane overhead is taken to mean that the promised land has disappeared. An accident in flying to-day brings out newspaper statistics to prove that aviation is safer than transit on the earth. On the same plane of reasoning there is no difference between a white monkey and a black cat. It is on a level with the statement that photographs cannot lie. In the verbiage that is easily penetrated by nothing more than horse-sense, where there is no available knowledge suspicion is justified.

The *Daily News*, on February 5, 1927, had an important article, written by Professor P. J. Noel-Baker, but as this had more to do with the living than the dead, little or no notice was allowed to be taken of it. Entitled "What the Next Great War Will Be Like," it dealt briefly and to the point with the futility of defence of a great city against aerial attack, and substantiated everything that any ordinary person, capable of putting two and two together, already knew. Mr. H. G. Wells, in an address at the Sorbonne, had previously covered the ground, but his remarks on that occasion appear to have been forgotten.

Naturally, as neither of these great thinkers had any constructive ability, the ordinary man was left to contemplate annihilation, with the alternative of becoming a rat if he valued his life. Again, neither of these gentlemen ventured to prophesy the name of the country with whom we should be at war, which alone would have been in a slight degree helpful, and from that time to this newspaper nourishment for the people has moved on the usual lines of murders, riots, divorces, circulation, and the battering about of balls—foot, tennis, polo, and cricket. *Vive la bagatelle*. Again, neither of these two thinkers could tell us what the next war would be about, but having thoroughly made the flesh creep, they retired after rhetorically stating the obvious, which was as good as preaching a sermon fair and softly, to a drowning man.

It may have been noticed, however, by those who read the newspapers for what they do not contain, that a trail of gas has been slowly winding itself through all of them since the accident at Hamburg. The Germans were bad boys for having it in their possession, and a high moral was preached about the dreadful possibilities of phosgene gas if used against a civil population. Those who were fortunate in being hospital cases through being put out in the last war by phosgene or mustard gas have nothing to learn if they know the multiplication table. Any country so afflicted will be an open air hospital without nurses. Vaguely, it would appear that some thinkers at least have grasped the idea that war under such circumstances is simply stale-mate, for the powers of destruction have out-raced those of defence. In the same way, any fool can saw down in an hour a tree that has been produced by a thousand years of nature's alchemy; if the same fool were asked to make a match box he could not do it. The last appearance of this phosgene was in the *Daily Mail* a few days ago, and Lord Danesfort figured in the debate. It would be safe to say that, as we could carry phosgene gas into dugouts on the mud on our boots, so we shall have it for breakfast again in some paper or papers.

Mr. H. G. Wells, by his floundering in financial matters, is demonstrably incapable of suggesting a

way out to avoid the consequences so vividly set down by Professor Baker, who stated:—

"It is hardly possible to doubt that in a few hours' time the combination of great fires, of high explosive, and of poison gas would leave a murdered and deserted city where the greatest capital in the world had stood."

There would be plenty of corner sites left, and economic and traffic problems would be settled. There would be no time for the distributors of white feathers, nor would the young be counselled by the old in the virtues of dying. It is sufficient for us, by the intermittent appearance, and also by the tone of the notes on this phosgene gas, to know that someone has weighed up the situation to an ounce on the destructive side; we are grateful for a timely diagnosis and a facing of facts. We trust he is in line with the train of thought of Napoleon who, on being told that an Egyptian peasant had been robbed and slain, sent 300 men to capture the robbers, at the same time telling a contemptuous sheik that the peasant was one whose safety Providence had entrusted to his care. Our prestige with coloured races is now at a low ebb; this is another reason why the white races should really come to grips with this monster of destruction.

Following on the exhaustive and heroic work of a few people who have the economic problem the right way up, there will be no need to refer to Revelations, the seven-headed beast, nor seven candlesticks, when the next and last catastrophe occurs. The causes are known; the intensity of finance has shorn the glorious locks of Mars, and the man who knows the run of the sewers will be king. Let the knowing ones mumble in corners about nights of Brahma, Kalpas, world destiny, and any other verbal soporific as an excuse for clear thought, poison gas will end the life of the nasturtiums climbing over the gimcrack trellis work made by John Smith of Bethnal Green for his front garden; it will also end the concentrated power of finance that only allows human beings to be its executive, and will not allow a man to exchange a cheese for a suit of clothes.

The trail of gas mentioned is a symptom; we do not for one moment suppose that our natural aristocrats are unaware of its significance even if they are for the moment unable to find a radical remedy. The way out can be had by them for the asking if they will consent to take a few lessons in division sums, to descend from the jargon of the high priests of finance, and simply face the issue as men who are immortal through their children. There is Lord Newton, Grey, whose love and study of birds tells us all we want to know about him. There is Lord Lonsdale, Lord Cavendish Bentinck, Lord Lonsdale, and, whilst our impotent mystics are galvanising their endocrine glands or contemplating their navels, we ask, in homely language, What about it, my Lords? It is not for you to do everything; the mechanism is ready, the means are at hand to enable you to assert at this critical juncture your belief in the aristocracy of your species. Why hesitate at this moment, when history says in no uncertain words that this time we must save ourselves? Some of the human race have grown up and desire no scapegoat, and in their growth they have recognised that the last civil war in Europe, without our present knowledge, was only a postponement. The riddle of the Sphinx is now read; here in this paper is the solution; what about it, my Lords? What about it, at a time when the children of democracy are playing and cannot agree in a game of marbles called a Miners' Conference?

Current Political Economy.

Many years ago a series of articles was published in THE NEW AGE under the signature of Ramiro de Maeztu entitled "The Primacy of Things." Briefly S. de Maeztu's thesis was a protest against relativity in the sphere of morality. It was an attempt to revive absolute standards for behaviour. By living for ideas, principles, or religious doctrines, all of which are impersonal, and conceivable as things, the problem of a standard of valuation, it was contended, could be objectified, which is a step towards solution. Whether S. de Maeztu was awake to the possible developments of his propaganda or not, it is true that more and more nearer a particular thing approaches to religious and cultural primacy in English life. A generation ago commerce was looked upon as a form of traffic only fit for those born to nothing better. Slaves and promoted slaves could be permitted since their souls were already destined for the third class even in Heaven, to be ambitious for wealth, and to soil their hands trading for it. Along with Jews, who were damned to eternity as no class at all, these up-start organisers, merchants, manufacturers, and moneylenders were at liberty to accumulate wealth and reckon themselves as fine fellows as they pleased, provided they did not seek to be acquainted with their betters. No gentleman, on the other hand, was free to buy or sell. He might hunt, fish, swim, make the Grand Tour, or go to war; he might entertain other gentlemen; he might receive the rents to which he was entitled by laws and customs whereof the memory of man runneth not back to the contrary. He could do very nearly what he liked so long as he refrained from all business competition, and lived as a man would naturally dream of living if exempted by breeding and common consent from the curse of Adam.

Not even gentlemen were finally proof against envying accumulated fortunes greater than they had inherited. The ideal has turned over. Commerce is the primary thing. The man who re-merges outside it fails in patriotism, and, whatever his birth, has to be ready with a certificate from his doctor whenever questioned. A man—women are included—need not manufacture goods or provide services; indeed, his doing so rather embarrasses the others. But buy, sell, or lend he must if he would expect to be considered for any State honour or public merit. All the pride that once dwelt in leisure is now fiercely occupied in work. The primary thing of modern civilisation is commerce, and its personification is Selfridge, the hero of salesmanship.

Making, buying and selling, and lending are the tasks of our political economy. Makers are like the three cobblers in one room, who cannot move their elbows because of the heap of boots they have made, and who blame one another. Lenders have nothing new to discover. In lending, there is no scope for the genius. The laws of lending are fixed and immutable, more final than Einstein, and binding on the Creator. Moreover, lenders have agreed—with one dissentient—that there is no way on earth by which the cobblers' heap of boots can be put on naked feet, although Christ Himself remarked that a little credit would remove mountains. That little credit—Heine got a spanking for translating *glaube* as *credit*—is provided by salesmanship, the only commercial art. Salesmanship was invented to overcome the paradox that buying is the easiest thing in the world and selling the most difficult. Salesmanship is the one sphere in which scope for genius is not yet, it is claimed, exhausted.

Salesmanship differs greatly from craftsmanship. The latter, indeed, far from being an art, is a trifling accomplishment more easily taught to village boys than the filling up of insurance forms. This craftsmanship, whether its object were shoes, wheels, and harness for a horse, an oak ship, or a stone temple, was mere children's play, appropriate to the ignorant childhood of the race. For the more highly evolved type of the salesman the period between conception and flight is far longer than is necessary for any craftsman, and will soon be longer than for doctors or lawyers. As Americans have begun to see, salesmen are born, not made. Their special qualities of supermanhood can only be developed in their special universities, where they must study not dead languages that make men sigh for Helen, not so much the requirements of mankind, but psychology. They have to study the frailties of human nature not to make them whole but to make them buy. Not in the history of the world has such a *yoga* appeared as an up-to-date American text-book of instruction to infant salesmen. The Holy Bible of Salvation is by comparison a haphazard collection of antiquated proverbial wisdom, a comparison pragmatically settled when the lack of results produced by the one is contrasted with the efficiency of the other. Under the domination of the *mana* of salesmen, mankind has spent incomes it will never receive, incomes which will not fall due for ten or twenty years. Take no thought for the morrow, says the salesman, in a speech so nearly golden that mankind obeys. Everything that can be done for a system in which purchasing-power is insufficient to buy the goods produced has been done by salesmanship—with very little credit if a great deal of thrusting.

While Finance is science, then, closed and final, salesmanship is the new religion which all art serves. Get salesmanship and all else will be added. Without it all is trash. The gods who patronised the Olympic competitions now preside over salesmanship, the inspirer of the modern temple, of poster art, of all group-culture. Travel in the suburbs of London, everywhere you will see that games and sports, no longer the common pursuit of a pariah, are the expression of a firm of salesmen. Turn at last to the entertainments page of *The Times*, where in the first column, in the form of a leading exhortation, all literature and culture are mobilised in the art of salesmanship; which lacks as yet only an inset photograph of its graceful and beautiful author, Callisthenes, to draw all the wolves of the world by bonds more invisible and strong than silk, to the great temple to worship him—or her. A day or two ago an intellectual lecturer complained of the loss of that absorbing faith in the public thing that made Romans indifferent for themselves provided Rome was succeeding in putting the world in order; he even pleaded for a re-reading of S. de Maeztu. Presumably he did not know Callisthenes or the new primary thing of salesmanship.

"We recruit and develop men whose intellects are so balanced and trained, so inspired by enthusiasm and so hardened by discipline, that they can, in the highest degree, strengthen this Firm by increasing its power of public service."

"We have set out to make this indisputably the greatest store in the world . . . and our ideal has been to assemble and retain the best brains for that purpose."

Culture, let us agree, is salesmanship. Though intellect and discipline together never discover that the costs of the temple can be collected from consumers only by the bankruptcy of other temples, or by more credit, let us leave the salesman with faith in his noble purpose, and with his blissful ignorance intact of the truth that the best thing he does for his country is the spending of his wages.

When the superior salesmanship of Americans—and hence their superior culture—have reduced Britain's appearance in the volumes of world history to a footnote, there can be no doubt that the reference will be to the unwitherable and unstaling variety of Callisthenes.

This House is strong in men who work with high ambition, and have the ambitious man's desire to be known and to be remembered. But in their thoughts there does not arise some pedestal inside an iron railing. For them the true renown, the true reward of the laborious days and nights in which they have striven to realise their ideals of great commerce, is in the towering structure, the superb organisation, which they are building up.

May their desire for the immortal fame of salesmanship be gratified, and over the portals of the towering structure let an artist inscribe, relative to costs and purchasing power:—

"This pile was erected when the cost of selling a thing far exceeded the cost of making it; and testifies to an heroic effort to shove the camel through the needle's eye."

N.

Rural Life and Lore.

XVII. SOME CURIOSITIES IN ANIMAL LIFE.

In my life I have seen more cases of drowning, of animals and human beings, than most men. There is one thing that happens to them all—except the horse. They all sink, but the horse does not. When fishermen had been lost in deep water we never troubled to put out to recover their bodies at once. We waited for them to rise. And they always rose on the ninth day. And it was the same thing with dogs, cattle, pigs, and every sort of animal. They would sink and afterwards rise, all of them on the ninth day.

We explained it to ourselves in this way. What makes them rise is their galls bursting. I do not know exactly how it happens, but one reason why we believed it is because the horse, the one animal that does not sink, is the only animal who has not got a gall to his liver.

I must tell you something else here about the horse's liver, although it has nothing to do with drowning. If you own a bitch and feed her on horse's liver occasionally, when her time of heat comes on she will never let a dog approach her. This saves you watching her or locking her up, as most owners do who wish to prevent good-bred bitches from wrong mating.

You will see that there is something about the horse's liver which makes it possible that our explanation is right. You watch a horse in life: he swims much higher out of the water than other animals. Horses are different from each other in their swimming power, and the difference is connected with their colour. It has been proved that the blue roan is the best, and that all roans are better than the other colours. I have seen roan horses who would take their rider across a river almost without wetting his saddle.

Speaking of drowning reminds me of another sort of death which is like it. I mean suffocation. When I read in the papers a little while ago about those poor American sailors who died in that sunken submarine it made me think of the mole. I said to myself that if our scientific gentlemen could find out how the mole keeps himself alive so long when he is buried they might discover a way of saving human lives when those accidents happen. There is always air in the earth, we know. But when you consider

the size of a mole's body and think how much air he ought to have if he were made like a man, it makes you wonder. Besides, the earth is not always open like in summer. I have known it to be frozen inches deep for weeks: yet the mole keeps alive.

I expect dog-owners can tell good stories about the dog's sense of time. The best one I know is about two dogs, a white Pomeranian and a terrier, who were owned by Mr. R. Gibbs, the landlord of the Railway Inn, at Ilfracombe, Devon. This was in the year 1906. Those two dogs would regularly walk into the bar and "call time" at eleven o'clock every week-night. On Sundays the closing time was at ten o'clock. But that didn't bother them: sure enough, on the stroke of ten, in they would come. We used to have people visit this inn to watch them do it, and many a bet was made as to the dogs' calling time exactly. There was never a mistake about the bets being settled, because those dogs would be lying in the yard or in a stable a good hundred yards away for all as if they were dead asleep. But let it come one minute to the hour, and you would see them stir, lift their muzzles, and get up. They didn't hurry. They just shook themselves, and walked slowly in the bar door, just so direct and business-like as a policeman.

People who hadn't seen it happen would say that the sound of bell chimes in the distance told them. But these dogs were doing this regularly, and always before the clocks were due to strike. Of course, it could happen now and again that a fast clock might chime out of our hearing and signal them, but when you take months on end such a clock might be slow one night, and if the dogs relied on it they would be late. But they never made any mistake. They were always dead on time.

Then about a dog's memory. I remember a dog called Grip. I shall not forget him. I could be out twenty or thirty miles in the country and pick up, it might be, a piece of wood or a stone, and show it to him and hide it away. I could take that dog home, and on the next day take him somewhere else on a journey, and then somewhere else on the next day. Yet I would only have to say on the third day: "Here, Grip—*fetch*; and he would go straight away all those miles and come back with the thing I'd hidden. I often did this to amuse the boys in the village. They would watch me send him off and would wait about, it might be two or three hours, to see him come back. And he wouldn't let anybody take the thing from him but me.

Then people come and talk to me about men being superior to animals!

R. R.

Art.

There is a good deal worth seeing at the Abbey Gallery just now. The child studies of J. H. Dowd give a very special fragrance to the little room which holds them, more delicate, we imagine, than the actual flower pictures of Miss A. Van Heddeghem. Here is an artist who always sells well. And yet her roses are Victorian flummery, and the best flowers she paints are the harsh and unkindly marigolds. We like the colour of "An Old-Fashioned Bunch" (21) and the composition of "Spring Blossoms" (24). But some of the other stuff is very watery, and framed like nothing on earth. In the show of Australian artists we find at all his Lindsay cultivating a Dulacquerie which is not at all his proper vein—we much prefer him as Phil May. But Tom Friedensen's native scenes have great charm, and we also commend the others, Sydney Long, Van Raalte, Lionel Lindsay, Sydney Ure Smith, and A. B. Webb for a parcel of spontaneous and pleasing work.

L. S.

Music.

Paul Robeson (Drury Lane: July 5).

An afternoon of negro spirituals and folk songs by one of the recognised exponents. I confess myself more unconvinced than ever that these things have any importance except for the specialist of folk-lore and ethnology. Of musical interest they seem even to possess absolutely none, nothing comparable to Spanish or Sicilian folk-song. They are excessively monotonous, rhythmically dull, and without any grace of outline. If M. Robeson were the great singer his marvellous voice and exceptional musical gifts place it within his power to be, one would have regretted even more than one did, the waste of him on these paltry trivialities and the abominable jargon of their words. At present his voice with all its wonderful natural beauty and the born singer's instinct with which it is used, up to a point so well, is not produced at all—it is not brought out or developed. And with his magnificent gift as an actor added thereunto, what a potential operatic artist of the rank of a Chaliapine at least. A very sorry and deplorable waste of a superb talent.

Turandot (Covent Garden: July 9).

I find myself quite unable to resist the fascination and charm of this supremely brilliant and accomplished work. The cast was as on the two previous occasions I have already reviewed. Only the conductor was different, Edoardo Fornarini, in place of Vincenzo Bellezza, a change emphatically for the worse. The singers, accustomed to the vivacious, nervous reading of Bellezza, struggled against the heavy clogging tempi of his successor, and there were many such differences of opinion all the evening. Miss Turner matures and expands her conception of the part perceptibly between every performance. Her singing was again superb. Lindi, the *Unknown Prince*, has such a good natural voice and a stage manner and deportment so engaging, easy and natural that one doubly deploras the quite unnecessary defects of his singing. I find I have not before mentioned the beautiful singing of Salvatore Baccaloni as Timur, as it deserves, but hereby endeavour to make amends for a serious omission. Miss Sheridan, too, has the possibilities of a good singer, as one can hear when she has an occasional mezzo-forte phrase in the middle of her voice to sing. But at other times her methods are so dreadful and her wobble so persistent that one would hardly suspect there was anything there beyond a large noisy organ, and as for style or charm of interpretation, we never heard a sign of them. One wonders at the absence of Lotte Schöne from Covent Garden this season. A most beautiful singer, with a lovely voice, whose Italy possesses one tenor at any rate worthy of serious notice is demonstrated by a splendid record of two arias from "Turandot" by Alessandro Valente. For beauty of voice and singing this singer reminds one of the early Caruso, and if he continues to develop, here is without doubt a worthy successor of that great genius of singing. By the way, I commend this record as also that made by Lotte Schöne (likewise in two arias from "Turandot"). Rosina Torri has also recorded the same two arias. Here again is a very interesting singer, without however the imaginative sensibility or beauty of style of Lotte Schöne—but in every respect immensely superior to the two principal Italian women singers of this season. Why in heaven's name do the ruling powers that engage some of the people they do in preference to such as these? And in these days the choice of singers is surely enormously facilitated by records. The syndicate has only to keep its eyes and ears on the gramophone catalogues to discover meritorious talent. The choice for instance of Aureliano Pertile is utterly inexcusable on any musical ground whatsoever—he is completely unworthy to be

heard in a house with the tradition of Covent Garden, while the same remarks apply to many of the other singers engaged. What is the explanation? Is Covent Garden trying to become a second Old Vic of which already one is one too many?

KAIKHOSRU SORABJI.

Why Films Go Wrong.

Lovers of melodrama were some years ago invited to regale themselves on a Lyceum play with the engaging title of "Why Girls Go Wrong." The causes of that particular form of error are reasonably well known, but the question why films go wrong is difficult to answer. It is easy to say that a given film is bad, and to explain just why it is bad, but it is often extraordinarily difficult to analyse the factors that make a film a hybrid of very good and very bad, or of good and mediocre.

Take for instance "The Man Who Laughs" (Rialto). It is directed by that genius, Paul Leni, and its cast includes Conrad Veidt and Mary Philbin. The first half is a masterpiece, conceived and executed by an artist who has the essential film capacity of thinking in pictures, and the added capacity of making his audience visualise as he does. In this film he also shows himself to have no superior in recreating the atmosphere of a bygone period and making it a living and pulsating actuality. And then he must spoil a work of art by terminating with a symphony of unnecessary acrobatics *à la mode de* Douglas Fairbanks. I refuse to believe that Leni can have committed this outrage of his own accord; the ending is presumably another artistic murder at the instigation of Hollywood. Incidentally, the inclusion of a scene, also unnecessary, of a handsome and oncoming wench in her bath makes me wonder again as to what exactly is the Film Censors' conception of the permissible.

Again, take "Napoleon" (Tivoli). It would be an abuse of words to call this a good film, but equally so to call it a bad one. Abel Gance is, however, a director who does not know how to leave off, and the art of selection appears unknown to him. He so loves his crowds that he will not let go of them. He overdoes composite and superimposed photography and symbolism to the point of robbing this kind of technique of all its effectiveness and of boring his audience. He repeats himself to the point of tedium. He leaves nothing to the imagination. He confuses the kinema with the panorama. He must even have the three screens in simultaneous action, with the incidental result that all illusion is destroyed when one sees exactly duplicated crowds and armies on the march on either side of a road. As the French version takes twice as long to show as the one presented at the Tivoli, and that is lengthy enough, sitting out the original must be an endurance test comparable with that of pedalling through a six-day bicycle race. And yet, as I have said, it is impossible to call "Napoleon" a bad film.

"Love's Crucifixion" (a wantonly bad title, but one no doubt possessing a "strong box office appeal") represents the mixture of good and mediocre. The race to death across breaking ice floes is the most exciting thing I have seen on the film; the story is off the beaten track; the Paris settings, although reminiscent of "Seventh Heaven," are pleasing; and if I am imperfectly enamoured of Olga Tschechova's acting, that is possibly my fault, while I certainly found pleasure in the performance of Hans Stüwe. But the film fails to "get across," even under the direction of Carmine Gallone. It is a hybrid. It irritates in spots. And yet it is another film which I should most certainly not call bad. I should add that its most presentation was at the Marble Arch Pavilion.

DAVID OCKHAM.

Views and Reviews.

LENINISM.

By Alan Porter.

It is an interesting experience to plunge into the arguments, dissensions and difficulties of the Communist Party in Russia. The first thing noticeable is the solidarity of their social theory. Nowhere else in the world does there exist so large and strict an attempt to co-ordinate politics into a science, to see the significance of world events, and to make use of them for the future of mankind.

Elsewhere, we feel, politics are left to casual instincts of self-preservation. It is as if capitalist countries were perpetually finding themselves in a hole, and recovering with great subtlety and unconscious wisdom. The disadvantage, however, from which they suffer is that they seem always to be forced to adapt themselves after the event. Again and again they tend to equilibrate themselves, to stabilise their condition, to re-arrive at a comparative safety; but as they make no rigorous search for the causes of political or economic failure each stabilisation seems to occur at a lower level than previously. They are always behindhand in their adaptation. From time to time they are making great efforts to arrest an inevitable decline.

At least, we may say of the Marxian theory that it offers a more comprehensive account of world-politics than any other political theory of our times. The Bolsheviks have troubles in applying it in modern circumstances; indeed, they have mighty troubles. As we read Stalin's speeches on Leninism,* we are coerced by a feeling that even here we encounter an attempt to prophesy after the event; to show how we always could have known what was going to happen; how the process of the world was, in fact, determined according to the Marxian scheme, if only we could have seen the exact relevance of his statements. There seems to be something missing; something which was necessary to give men full control of their own destiny. The Bolsheviks seem always on the point of finding out what should be done to ensure a sound policy; but they are always a day too late in their discoveries.

None the less, it is impressive to see the confidence and width of view which a social philosophy can give. It unifies men, directs their efforts, allows a ground for co-operation and continuity of policy. It is not for nothing that, in comparison with the Communists, all other parties appear to be well intentioned and amateurish, playing with forces they know nothing of, with nothing in particular to say and no ability to meet crises except by a defensive throe.

Yet it is a heroic, mind-haunting and heart-rending task to attempt to make the Marxian theory fit into the situation of Russia. Lenin himself had always his eye fixed on the needs of the situation. His Marxianism was instrumental. It was more a revolution he demanded than an application of the textbook. In fact, he stood side by side with Marx himself in his feeling that "a philosophy must not only be true, it must also change events." And because he was so simply in touch with needs, because his view was so determined by the necessity for action, he was able to keep his party together, to interpret Marx to them so that his theory answered to the immediate necessities.

Stalin has fallen heir to this task; but the necessities now are so pressing, the divergence between the form of Marx's diagnosis and the situation in Russia itself becomes so marked that it is impossible not to wonder if they can still be reconciled. His attempt is intellectually magnificent. It is obvious that he is closer to needs and realities than such die-hard theoreticians as Trotsky. All the while, however, we feel: "What a supreme piece of juggling! How much longer can he keep it up?"

There are three great problems that meet any Marxian in Russia. The first is the necessity to explain how a proletarian revolution could take place before the break with feudalism had been completed, before a "bourgeois-democratic" revolution had taken place. The Bolsheviks find themselves in a grave dilemma. If the determinism of Marx holds good, it was they who accomplished the bourgeois democratic revolution; they are its representatives and must see the country through this stage of its history before a socialist revolution becomes possible. In fact, they are precisely what they most detest, the representatives of the bourgeois revolt against feudalism. The doctrine invented to meet this dilemma is ingenious but difficult to accept. It is the theory of "permanent revolution." They must regard themselves as having stepped in to carry the bourgeois

* "Leninism." By Joseph Stalin. Translated by Eden and Cedar Paul. (Allen and Unwin, 7s. 6d. net.)

democratic revolution continuously into the proletarian revolution. It is thus their duty to synopate two great phases of history, to bear on their shoulders two revolutionary changes; to accomplish one revolution they had no particular taste for, and turn it, peaceably and continuously, into its antithesis.

The second problem arises from the same situation. The question having been set: "How could a Marxian revolution possibly happen in Russia?" the Bolsheviks are now faced with the question: "What is to be our relation with the peasants?" The whole of their possibility of continued existence hangs upon the peasants; they must call for their assistance; they must fulfil their demands. Yet at the same time they must remember that the peasants are the weak or feminine part of the national economy. They are to be bribed; they are to be satisfied; they are to be managed. They are never to have control of policy; they are to be kept strictly subservient to the proletariat. A still more profound piece of juggling is here called for. The peasants must be made into allies, but they are to be kept as allies on sufferance.

The third and most overwhelming problem is the Bolshevik attitude towards the world revolution. It is obviously insufficient for a Communist to feel himself as undertaking a mere national revolution. A workers' republic cannot be reached in one country only. Before we can have one truly proletarian state, the whole world must be proletarianised. The hope of Socialist revolution throughout the world, however, was gravely discouraged by the defeat of the Spartakists, and the Communist parties in Europe. Practical demands and considerations compel the Russians to think of themselves as a single Socialist state in a world of capitalism; compel them to mark time, and consolidate their own position in a hostile world. They must abandon the attempt to force a world revolution; risk developing into a nation amongst other nations, an imperialist country among other imperialist countries; yet keep before themselves the knowledge that they cannot attain to Socialism alone and the hope that the working classes of the rest of the world will come to their aid.

Stalin himself walks by an abyss. In these circumstances he is as much in favour of the peasants, as much a realist in consolidating the government of Soviet Russia before attempting to press on a revolution elsewhere, as it is possible to be while remaining a good Marxist. One step more and the Marxian philosophy would have to go by the board. He displays an ingenuity which cannot but be regarded with admiration. The most satisfactory of his attempts to conform theory and practice is his explanation of how an industrial revolution could take place in Russia. Capitalism falls, he urges, not where it is most highly developed or most highly organised, but where it is weakest, most open to assault. Thus it was not to be expected that a revolution would happen in England or Germany; it will happen wherever the inefficiency of capitalism bore most heavily on the population. He even regards it as possible that the next Communist revolution will be accomplished in India. One by one the weaker links of capitalism will be snapped.

It seems then that the Marxian philosophy has not yet exhausted its power to prove acceptable as a revolutionary theory. Men who have faith in it have not yet come to the end of their faith. Yet more and more it is necessary to call for delicate feats of interpretation; more and more the theory seems put to a strain by events. To anyone outside the Communist Party it is bound to seem: "All this explaining is explaining away. How much simpler it would be to take it that the Russian Revolution was a vast national upheaval, springing from the needs of Russian peasants, impossible to fit in with the theory of proletarianism!"

If Marxianism should collapse, we shall be faced with a clear need to discover a more radical and longer-lived instrument of world-change.

THE DANDELION FIELD.

"Field of the cloth of gold" we called this field. . . Here we would come, school over, here would we see Silken pavilions marvellously lifted to house The Lion of England's tryst with the Fleur-de-Lys. What joustings, what tournaments among the shining of May! Where cousins and royal were met to sport in the sun! But now the heralds that made the sweet titles are mute, Struck are the tents, the dalliance of princelings long dead; Hal is got fat and lecherous, Francis long wise; We are grown-up in our history, we are o'er-wise; "Field of the cloth of gold." And to-morrow, alack! Only these dandelions will fade from our eyes.

A. NEWBERRY CHOYCE.

Twelve o'Clock.

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

Edited by Sagittarius.

"The stark fact is that there is no money about and there is only one source whence money can be provided. Whatever party succeeds Mr. Baldwin will have to face this fact or incur the penalty of ignoring it."—Notes of the Week.

"But we shall be progressing when taxation is recognised for what it is—a Machiavellian device for the further enslavement of both those who clamour for it and those on whom it is imposed."—Left Wing Taxation. C. H. DOUGLAS.

"By releasing the mathematical truth regarding the existing economic system, the Douglas Proposals released something fundamental which will either sweep us into the second [revolutionary] phase, or sweep us aside as material through which the Economic Runnymede cannot take shape."—Lenin and the Social Credit Objective. GORDON JACKS.

In horror from all subsidies we turn
Except, for these two purposes we give
To export Coal which we should like to burn:
To export Men who'd like at home to live.

L. S. M.

"Naturally the banker, as a lender of credit, is exclusively interested in the borrower's ability to squeeze money out of the community, and is not concerned to foster his ability to push goods into the community."—Notes of the Week.

"His [Casey's] own value is esoteric common sense—common sense, as Grage wrote, being always esoteric."—Sean O'Casey. A. NEWSOME.

"Why should anyone object to an artist producing a condemnation of any institution, from marriage to Christianity, or even of the people whose activities maintain the institutions?"—Drama.

Reviews.

The Signpost Series. No. 1, Paris. No. 2, Brussels and Bruges. By Helen M. Turner and Christine Campbell Thomson. (Selwyn and Blount. 2s. 6d.)

Nicely got up, in a sort of yellow distemper, full of history, pious moralising, and simple description, these new Guides for the Young Traveller deserve a favourable note. The print is clear, and the style bracing.

Lord Haig. By Sir George Arthur. (Heinemann. 5s.)

We do not propose to excite ourselves over our friend's controversy with Mr. Lloyd George in defence of his idol—though we have a shrewd idea of the two as to which is the gifted liar. We would rather complain of the general inadequacy of his book. To begin with, you cannot expect a life of Haig for six shillings; and there is no "body" to just a few notes leading up to some pages of highly controversial discussion of the Somme, Passchendaele, and the Second Marne. Sir George Arthur praises Haig devotedly, but he does not give us a sufficient picture either of the fine-grained Scottish warrior, or of the gentle-mannered stoutish gentleman, whom one used to notice, it seems only yesterday, strolling meditatively behind Bond Street, thinking quiet civilian thoughts under a bowler hat.

LETTERS TO THE EDITOR.
GOLD EXCHANGE AND TRADE BALANCES.

Sir,—Your interesting comments on the American debt and your remarks in last issue's "Notes of the Week," by equating general private income with general industrial costs international trade would become for the first time international exchange value for value of products," illustrates forcibly the absurdity of the gold exchange standard under the present banking technique.

Great Britain for many years has imported £120,000,000 of goods annually from the United States in excess of exports to that country. Leaving out our debt repayments in gold and understating our case by supposing our transport earnings, investments, etc., wipe out half this figure, there remains, say, £60,000,000 per annum to be corrected by the export of gold from London or from our balances abroad. Now the £60,000,000 excess of goods was manufactured and carried not by £60,000,000 of gold, but by a blend of one-

seventh gold and six-sevenths of bankers' paper-created money. In theory gold is treated as a commodity and the balance is perfect. In practice the gold is blended with paper creation of money more or less in the above ratio. What a difference between theory and practice! It means that in point of fact out-of-balance trade is paid for in practice six times over.

Sir Josiah Stamp, when confronted with this position by the writer, replied "as long as the credit structures of all countries using gold are more or less similar it did not matter." Of course it does not matter to the banking institution, but it emphatically penalises and makes a tremendous difference to industry and producers. If the banking systems by law are permitted to build up a technique on a blend of gold and paper roughly in the above ratio, it seems to me that there is no logical reason why they should not be agreeable to work on a gold blend ratio exchange system and not on a gold exchange standard. Then out-of-balance trade would be corrected by exporting only one-seventh of the present amount of gold. The effects on industry would be enormous, whilst the central banks themselves would not merely lose nothing by such an arrangement, but a tremendous expansion in trade would add further to their profits. The fact is the people have sufficient faith to believe the bankers' paper-created money is the equivalent of gold, but the central banks themselves have no faith in their own paper creation, and distrust each other by claiming the reality—gold.

In his "Christian Ethic" as an economic factor, Sir Josiah Stamp states you cannot get more than a pint out of a pint pot. Surely the bankers are performing this miracle, and since profits are essential if industry is to exist, firms must get more out of a pint pot than they put into it. Production, being the breeding of wealth, brings increment; and this increment can only be distributed by money.

When we leave the Stone Age of Economics and introduce a rational money system to distribute this universal dividend we shall show the absurdity of the present technique so faithfully described by the late Sir Edwin Holdwin in his address before the Liverpool Bankers Institute, December 18, 1907:—

"I want you to remember that the banking system of every country has its triangle, and that the principles enunciated above exist in every triangle of every system based on gold in the world: that being so, it is clear, generally speaking, that the business of the world is carried on by means of loans, that loans create credits, that the standby for the protection of credits is gold, and that therefore gold controls trade. It may happen that the trade of one country grows by leaps and bounds, the loans and credits, of course following, while the trade of other countries remains normal. What, then, takes place? The gold base of the triangle of the former becomes too small, and it is necessary to enlarge it. How is the increase effected? It is effected by the representative bank of the more prosperous country attacking the gold basis of the triangle of other countries."

H. J. D. THOMPSON.

THE IDIO-NEUROSIS OF THE LABOUR PARTY.

Sir,—"J." writes on July 12, 1928, in THE NEW AGE, that the Labour Party is trying to implement a dream (of Socialism) without the implement, which should be a mathematical economic analysis and programme. Doubtless the Right Hon. Philip Snowden, M.P., could controvert this, but I would ask "J." to state, if he can, a financial (economic) policy which would "implement Socialism."

(a) Does "J." agree that social economics are vitally necessary to the mental, moral, and physical betterment of mankind?

(b) Does he consider that the present financial policy of the capitalist system is scientific and to the highest advantage of the majority?

(c) Does our present financial policy allow of poverty and unemployment?

(d) Do the riches and labour of the world available for production remain constant, practically, throughout the waves of depression and prosperity met with under the present financial policy?

(e) Do economic laws control man's life or does man control economic laws?

(f) Can these sources of riches be distributed more securely and fairly by a new financial policy?

(g) Should this be the Socialist Credit movement? Is this the elimination of profits?

If so, it is up to "J." in the interests of his fellow creatures to state his case.

F. G. BUSHNELL, M.D., C.C.

Late Labour Parliamentary candidate for London University.

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