

THE NEW AGE

INCORPORATING "CREDIT POWER"

A WEEKLY REVIEW OF POLITICS, LITERATURE, AND ART

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NOTES OF THE WEEK.

In the *Referee* of December 2 there is a long article by "Arthurian," on the subject of "Business Without a Buyer," and a part of the article is devoted to a criticism of the book of this name published by the Pollak Foundation, and written by Messrs. Foster and Catchings. "Arthurian" begins by referring to the fact that money is mostly bits of printed paper, and asking how it can be maintained that there is "no possibility of our having enough money to buy all we need." He proceeds to show that when money was required during the War, it was forthcoming. "It is in the name of the Law that the means to pay are found. In the name of the Law!" The people, therefore, can have the means to pay for prosperity in peace "if they vote for money laws to provide them." But, he says, the vote is reduced to a sham because there is no political Party offering to find the money. He calls on his readers to deny the vote to any Party which will not "pledge itself to increase, or to extend the circulation of 'money.'" He recommends the following slogan: "Money for work, and work for all." This, he contends, is not Socialism, but "Individualism applied all round."

The next part of his article lays down the condition on which money must be increased: it must be issued for productive work and not primarily for consumption. This brings him into opposition to the policy of consumer-credit now being pushed in the United States, and to the teaching of the book "Business Without a Buyer," which, he says, has helped to extend the "economic disease of installment buying and selling into the finances of the United States." He quotes Messrs. Foster and Catchings as follows:—

"The flow of money to consumers depends mainly on productive activity; but productive activity depends mainly on the flow of money to consumers."

And answers them thus:—

"But everyone knows that productive activity began before money began, and that even to-day if productive activity were to cease, money would be useless."

He refers later on to the author's contention that funds paid out in production cannot provide enough buyers, and to their supporting illustration in which they point out that even Mr. Ford, with his huge pay-roll and low prices, has not for a single year paid out enough to enable consumers to buy all his cars. "Arthurian's" reply is as follows:—

"The fallacy lies in the fact that the producers paid by Mr. Ford to enable consumers to buy his cars are not the essential consumers or buyers of his cars. . . . The consumers who buy Mr. Ford's cars are probably in few instances paid by him. They are paid by others."

This is true enough. But as an argument against the case for consumer-credit it is worthless. For who are these "others" who distribute the money which enables the consumers to buy Mr. Ford's cars; and what happens as a result of it? They are, of course, other manufacturers; and the money they pay is entered as a cost to be recovered in future prices for the things they may be making. When those things are ready for sale a similar gap in consumer-demand to the above will reappear, and if it is to be filled, it will again have to be filled by consumer-incomes drawn from yet "others." By the time "Arthurian" has finished chasing these "others" round the United States he will be pretty breathless. Supposing that American citizens lived solely on motor cars and that American industry were composed of, say, one hundred Mr. Fords. Then, if each Mr. Ford were to incur book-costs in excess of his pay-roll, and relied on the difference being made up to him by the other Mr. Fords, their common expectations could not be satisfied—unless, of course, these Mr. Fords, or some of them, manufactured dollar-currency or credit and distributed it free to their employees without charging it to future costs. So we are thrown back on the underlying general proposition that the progression of total industrial costs day by day outstrips that of total

personal incomes day by day. If that be true, it is no use summoning "others" from the vasty deep to fill up the half-empty bucket by stirring the water about.

All production is carried on by the use of short-term bank-loan credits. Nearly all production is long-term production, running into weeks, months, or years, before ready for consumption. This time-lag is the factor that permits the falsification of costing which it is the object of the Social Credit Proposals to put right. If Mr. A borrows £600 from the bank on Monday morning, and has to repay it in the evening, he can do it without disturbing the equation between his costs and total personal incomes. But to do it he must divide up the £600 between himself and employees, and they must get the whole £600 worth of production made and finished in consumable form during Monday. Then together they can buy the lot before the bank gets back and cancels the £600 credit. But if any part of Mr. A's production be not ready for sale to consumers on Monday evening, the equation is disturbed at once. Suppose he has a half of it incomplete, valued at £300. In theory he could sell the consumable half to himself and employees for £300, and together they could retain £300 in their pockets until Tuesday. But this the bank does not permit. The bank wants £600 on Monday evening—and banks always get what they want. Mr. A has two options: (1) To price his £300 worth of consumables at £600 ("profit-sharing"), or (2) to price them at £300, and collect the other £300 from self and employees, and call it an investment in the retained product, which becomes an "asset." He can combine both methods if he likes; but the main point is that the actual £600 must be given up on Monday evening and be destroyed. Mr. A's business is now, we will assume, a mutual cooperative society, and we will call it "the Society," and him and his employees "members." They have no money on Tuesday morning, but they have shares in assets worth £300. Let us assume that by borrowing £100 from the bank the Society turns these assets into consumable goods by Tuesday evening. The members' combined income is £100. But the Society's total cost is—what? Properly it ought to be £100 if the members are to buy the whole product. But under the existing laws of cost-accountancy, clearly the cost must be £400. In that case the members can buy only one quarter of the product. Now, of course, in a situation like this the members would mutually revolt against such an absurdity, and would get those goods shared out even if they had to print some Society distribution tickets to do it. In the existing situation neither the capitalists nor their employees see the absurdity.

This sort of discrepancy arises in all modern industrial activities; and the more numerous the successive stages in production with their accompanying credit cycles the greater the discrepancy becomes. This is what "Arthurian" overlooks or disregards. He says in effect that the more loan-credit issued to producers the more consumer-credit will be distributed, and argues therefrom that more articles of consumption will be bought. The contrary is the case. A boom in production is accompanied by a boom in labour-saving machinery and devices, with the result that the proportion of total costs ultimately paid out for personal services is lessened, and *not* increased. It is true that for a short time there might be more consumption, but very soon industry scales production down to the experienced demand; so the solution of the economic problem is not to be found except by devising a method whereby the consumer demand outside industry keeps pace with the costs inside.

The operation of the price system is to gather incomes and to deliver them up to be wholly cancelled by the banking system long before the goods referable to those incomes (and which should be purchasable by those incomes) are ready to be bought. The question of what quantity of credit shall be issued by the banks is not fundamental; and if expanded credit-issuing is left to work out its own consequences irrespective of the rate at which credit-cancelling takes place through the pricing-system, it will prove as futile as the deflation policy has proved to be.

The British Electrical and Allied Manufacturers' Association published some time ago an expensively produced book on the electrical industry, in which they said some nasty things upon banking policy. On December 4 they resumed their attack more intensively than before, in a Report to which they give the title: "The General Economic Position and the Need for an Inquiry into Financial Policy." The following extract is from a report in the *Daily Express*:

"The home market has been virtually ruined for the manufacturer through the unbroken regime of credit restriction which has persisted during nine years, and we can attribute the lasting depression in industry to the policy initiated by the Bank of England in the autumn of 1920, and carried out with the support of the Governments in power without interruption until now.

"The business of financing the rest of the world at the expense of British industry has reached a point where some decision must be taken regarding the creation and control of credits in industry.

"We are confronted," adds the report, "with a real decline in the purchasing power of the public generally, and this decline has affected every industry.

"There can be only one explanation for such a narrowing down of the home demand, and it is to be attributed to the credit policy pursued by the Bank of England since the spring of this year.

"We suggest that the time has now come for a full-stage inquiry to be carried out."

A further factor which the report discusses is the steady export of capital from this country, and expresses the opinion that foreign loans floated in England serve only to provide foreign competitors of British firms with funds to execute contracts at Britain's expense.

"A City Correspondent" comments on this Report in the *Evening Standard* of December 4. He says:—

"Criticism of so strong a character coming from an industry which is extremely well organised and has already effected most of the internal economies possible through nationalisation is worthy of very serious consideration, and deserves the close attention of the governor and directors of the bank.

"It voices a feeling which has been steadily growing among leaders of others of our great industries, and one to which I have frequently drawn attention here.

"Nor is the electrical industry the only one to express its criticism. A recent lecturer at the Textile Institute in Manchester declared that the policy of deflation had added £50,000,000 to the burden of shareholders in 250 reconstructed cotton mills, and the criticisms of the deflation policy made a week or so ago by Mr. Cecil Hilton, M.P., on behalf of the cotton industry have received wide and influential support in Lancashire.

"There has, however, been no investigation into credit policy and relations between finance and industry, although such an investigation has frequently been advocated, notably by Mr. McKenna.

"This fact is significant. Immense good might come from such an investigation, which would at any rate help to make clear what responsibility must be placed upon post-war banking policy for our industrial depression and accumulated evidence upon which future policy might be based.

"Such an investigation is overdue, and I hope it will receive fresh consideration both from the Government and the Bank authorities."

The *Daily Express* of December 5, in a leading article on the Report, says:—

"We have reached, in short, a position such as obtains nowhere else in the world—a position in which the official

financial policy is distrusted and challenged by the men who are working their hardest to help on Great Britain's industrial recovery.

"The governors of the Bank of England, in their own sphere, are admittedly an able body of men. Looking back over the course of the British Government's financial policy during the last few years one could wish they had been less able and less authoritative. They might not then have imposed their will so completely on Chancellors of the Exchequer. . . . Those of its governors who are engaged in the day-to-day anxieties of international trade competition are completely outnumbered and outvoted by what may be called the professional banking element. The Bank is so preoccupied with problems of foreign exchange as to be aloof from, and almost indifferent to, British industry's desperate fight for financial breath."

We think it appropriate to add some of our own comments on the subject. The date of these comments was two and a half years ago—to be precise, on June 24, 1926. They were in an article which we entitled "The German American Bank of England," and were written in reference to the enlargement of the Court of the Bank. We gave the names of the directors under their respective groups, the English group of thirteen, the American group of eight, and the German group of four. We will not republish the names: for one thing there have been changes since; and in any case the important point is not the names, but the groups, which, presumably, are still represented in the same proportions. Notice first how the fact that the American-German interests are roughly equal to the British in the number of their representatives throws a light on the *Daily Express's* suggestion about the governors concerned about trade competition being "outnumbered and outvoted" by the "professional banking element." When we wrote two and a half years ago, we put the position in this way:—

"Really the tragedy is too poignant to be other than a joke. Just imagine American and German interests helping to decide what shall be the Bank Rate in this country. A reduced Bank Rate is an encouragement to borrowers, leads towards an expansion of credit, and tends to inflation. Inflation, as Mr. McKenna has reminded us, tends to stimulate exports. Exports where to? Well, among other countries, America and Germany. So it will be seen that the Court of the Bank has given two of our competitors the power to contribute to a decision when, where, and how this country shall get an entry (if any) into their markets! It has given them, by the same reasoning, the power to say how many millions of industrial capital values shall be written down, how many miners shall be locked out, how many ratepayers shall be ruined by Poor Law imposts—in fact, what shall be the economic condition of Great Britain.

"One sees now why Mr. Maxton's Bill to nationalise the Bank had to be hastened out of the House up to the 'Examiners.' For how could American and German financial interests be nationalised? How could Mr. J. P. Morgan be brought to obey the mandate of a British electorate?"

Previously we had said that we had no charge to make against the personal integrity of the Directors—their obedience to an idea. After pointing out that the Court of the Bank was a sort of "permanent Cabinet" under which political Cabinets of all complexions took office; and that this system was the negation of Democracy, since the Court was not responsible to the electors; we asked what would have been said if Mr. Baldwin had enlarged his Cabinet, allotting half the ministerial posts to representatives of American and German commercial interests. Every British citizen would have called it a "betrayal." Yet it would not have amounted to much provided a British Bank of England ruled over the policy of a cosmopolitan Cabinet: the real betrayal was in a cosmopolitan Bank ruling a British Cabinet. Our next point was as follows:—

"Again, the reason why the Bank of England has completed its preparations for taking over the printing and control of the British Treasury Note stands out clearly.

It would be of no use instituting an Anglo-American-German monopoly of 'British' bank-credit without taking steps to safeguard it against the chance that a popularly elected British Government might be authorised by its constituents to create fresh national currency for national purposes. Parliament will have an opportunity towards the end of the year of debating whether to relinquish its control of currency; but we doubt if it will accept its chance. It has never shown a desire to exercise any control, so why should it trouble who does so? Anyhow, Messrs. Morgan, Goschen,* and others have already installed the note-printing machines; which suggests that they are quite unconcerned about the formality of Parliamentary endorsement. As for the King's effigy—that will go, like 'imperial Caesar's' dust, to stop a hole in the credit monopoly."

This forecast of two and a half years ago has been completely fulfilled; although we missed the chance of prophesying that the King would fall ill on the very day when they took his money away.

Our next point had reference to the idea of a Central Bank for Europe (to work in conjunction with the League of Nations), which was being mentioned in the Press, and we suggested that the Bank of England, being partly internationalised, was intended to function in that manner.

"Seeing that in the sphere of politics Britain is serving writs under compulsion from Washington on all her European neighbours, it is only fitting that the Court of the Bank of England should become a European tribunal dealing out penalties in the sphere of Lombard Street and Wall Street financial law. At least we may see in the Bank the temporary premises of the Central Bank as well as an indication of the manner of its constitution.

"But in the meantime many things must happen. The proposed Central Bank was planned to work in conjunction with the League of Nations. Since then Spain (and Brazil) are in process of separating themselves from the League. Another Latin nation, France, is in a category all to herself. She is in the League formally, but informally acting as though she were entirely independent of it. Italy, again, has never taken any trouble to conceal her contempt for it. Having regard to this Latin spirit of revolt in Europe and outside, it is significant that no Latin interest is represented in the Court of the Bank of England. On the contrary, one may say that the formal inclusion of Germany is, in the light of the Great War, an anti-Latin gesture on the part of the Bank of England."

We imagined what the feeling of France must be, saying

"It is one thing for a French Minister of Finance to come to England pleading for lenience over the debt before Mr. 'Justice' Norman, and even Mr. 'Justice' Morgan, but—to see Mr. 'Justice' Goschen sitting serenely on the bench . . . !"

and pointing out how difficult a task had been set for Sir Austen Chamberlain in his endeavours to keep Britain on friendly terms with France.

We next referred to the coal lock-out then proceeding, declaring that this was due to the Bank's refusal to extend the subsidy or long-term loans to the industry, with the result that while Britain was losing markets America and Germany were finding them. We added:—

"And, seeing that America and Germany hold together, as we have seen, nearly half the power of deciding this ruinous Bank policy (it may prove to be much more than half when the present ownership of the Bank's stock is declared—if ever), it is hard to tell how the situation can be cleared up unless the more influential British industrialists in this country unite to bring strong pressure on the Government to disclose the reason for its apparent hostility to extended credits."

To-day we are seeing the beginnings of this united strong pressure, with that very objective.

* Mr. James P. Morgan and Mr. Kenneth Goschen were members of the American and German groups respectively.

Lastly, we referred to the mention that had been made from time to time about a "Bill to define banking." We said that the bankers would be averse to any Parliamentary debate "while Parliament still enjoyed the constitutional right to create legal tender," because a debate would be likely to reveal the fact that the limited exercise of the right was really decided and imposed by the bankers.

"So the bankers will avoid a general discussion on banking and concentrate first on the narrow argument that it is obviously convenient, 'scientific,' and what not that all forms of credit should be under one 'expert' control. If they secure that control they will later on be able to use the *fait accompli* itself as an additional argument for an Act of Parliament designed to exclude any 'non-experts' from competing in the banking business. And Parliament could not consistently answer it. Even so, their tactics will be to wait until they can introduce such legislation under the most favourable conditions, namely, when a dissolution is in sight; for then the House can be terrorised into acquiescence by pictures of a possible 'Socialist' majority 'tampering' with the 'delicate mechanism' of finance and so on."

The Mansion House meeting last month fulfilled the first part of this forecast for us. The "bank-definition" Bill may yet follow, if its objective has not already been secured, while Parliament has not been looking, by more oblique methods known to Parliamentary draughtsmen. If so, we shall learn all about it when the subject of Municipal Banking becomes live politics.

An Outline of Social Credit.

By H. M. M.

V.

The outward flow of credit from the banks to consumers represents what we may call the flow of production. The inward flow from consumers to the banks represents the flow of consumption.

Now, it is the banks' constant endeavour to recover their credits as soon as possible after they are issued. Most of them are recovered inside a few weeks, and three months is about the extreme limit of time allowed for repayment.

Bearing in mind that the outward flow of credit—i.e., loans—represents production, and the inward flow—i.e., repayment of loans—represents consumption, it will readily be understood that if the outward and inward rates of flow, to and from consumers, are approximately equal, if credit flows back to the banks as fast as it is issued—as it does—it should mean that we were consuming all classes of goods as fast as we produced them. It should mean not only that we were consuming food, clothing, comforts, and luxuries as fast as we produced them, but also consuming our capital, our plant and machinery, buildings, roads and railways, harbours and ships, etc., since these things were all brought into existence by means of credit issues; but we know that that is not happening. Most of the goods of the latter class—capital goods—last for many years before being used up or scrapped.

What actually happens is that the money or credit received by consumers in connection with cycles of production not yet completed—that is, not yet materialised in final (consumers') commodities—is taken from them via the prices charged for goods belonging to cycles which are completed.

Although this means that the public are being robbed of purchasing power which properly belongs to and should be reserved for future purchases, it does not necessarily mean that profiteering is being indulged in: it only means that consumer-credit is being used to pay off business-costs, the major part of prices in general being business-costs. It is only by draining the public of what should be their reserves that current costs can be met and the system kept running; but the running grows increasingly

difficult by reason of the draining process as the proportion of business-costs in general prices increases.

If anyone doubts that credit flows back to the banks as fast as it is issued, he has only to ask himself how much he still holds of his last week's wages, last month's salary, or last half-year's dividends, to realise how fast his money slips from him. And as with him so with everybody else; and the place it slips to is the banks, to cancel bank loans.

It is necessary for the bankers' plans that current prices should rise in direct ratio to the volume of credits issued, otherwise they would be unable to recover their loans within the narrow limits of time they allow for repayment. At one time their safety depended on quick repayment; and if prices did not rise, money—legal tender money—did not flow into their tills fast enough for their needs, and being unable to meet their obligations they had to suspend payment. That danger hardly exists to-day. In an emergency the Government would authorise the creation of as much legal tender money as they cared to ask for.

The profiteer's plunder is only a drop in the bucket; but he is a very useful ally of the banks; for the faster money can be squeezed out of the public and returned to the banks the stronger do the latter consider their position, and the men who can squeeze it out fastest stand highest in their regard. The prosperity of a country, however, is not to be measured by the prosperity of its banks; the two things do not run parallel.

The only way in which outstanding issues of credit can be cancelled, short of bringing industry to a complete standstill, is by the creation of other and larger issues, larger because they have to cover the profits of the earlier borrowers and the interest on their borrowings; and as the creation of credit is a bank monopoly it follows that the community can only rid itself of one burden of bank debt by saddling itself with another and larger burden.

Now, money is never borrowed except to be spent; but, as it must subsequently be repaid, the borrowers have to spend it in producing, or inducing the production of, something that can be sold; which means that the harder the community works and the more it produces the deeper it goes in debt to the banks.

If the banks lend freely trade booms. If they withhold loans, as they do from time to time as a matter of policy, it collapses, and the less favourably situated members of the industrial community are forced into bankruptcy, or are called on by the banks to reduce their capital, and perhaps dismissed as incapable and efficient directors—bank nominees being installed in their place—which is just as bad.

The withholding of loans may have in itself a reduction of prices—a laudable object in view of the properly contrived—or it may be for the less admirable purpose of acquiring valuable assets at the price of an old song. Both of these things result when the banks curtail credit issues, be the motive behind their action good or bad.

VI.

The effect of credit issues on prices is the next thing to be considered; and it is necessary to distinguish *new* credits from credits which merely replace earlier issues which have been recalled and cancelled. Hawtrey, in *Currency and Credit*, says: "New credits, as distinguished from those created merely in replacement of old ones, are created to pay the profits, remuneration, interest, etc., of those who contribute, either by their personal services or by the use of their property, to production." As new credit issues are created in advance of the production they are to finance, some time, perhaps a long time, may elapse before the finished

product, in a form available for the final consumer, is ready for sale. But as they are operative as purchasing power immediately they are created they increase the supply of purchasing power relatively to the supply of goods for sale.

Now, the effect of increasing the supply of purchasing power, without simultaneously increasing the supply of goods for sale, is to raise current prices; and that reduces the value of the individual £1. As things are, every member of the community possessed of money loses a certain amount of purchasing power with every new credit created. His stock of money may be undiminished, but it cannot buy as much as before, or as much as it ought.

It may be remarked in passing that, apart from the question of its legality, a bank credit, being created out of nothing, differs in no essential respect from counterfeit money: its effect is almost precisely the same. It is arguable, indeed, that, of the two, counterfeit money, if it remain in circulation undetected and is not on too large a scale, is the less harmful to the general community; for, being invariably spent on personal consumption, it stimulates the production of consumable goods and so increases the general well-being almost to the full extent of the money spent, without creating any new debt in the process. Whereas bank credits are all debt, and, being spent on production of which only a fraction is for personal consumption, the general well-being benefits only to a fractional extent.

A story taken from an American popular magazine and retold in *Public Welfare*, in a condensed version, some years ago, is in place here:—

I've forgotten the hero's name; so let me call him Joe. Well, Joe is caught making corn-whisky. This is in a remote American settlement. He is fined 100 dollars by the "Court" (who impound and, incidentally, imbibe the said whisky). As he has no money, the "judge" lends him a few dollars, and tells him to go into the next settlement and gamble with it so as to win his fine. On arriving there, Joe finds himself ranged with a crowd of others round a pea-and-thimble "banker." By using the smart device of dabbing a little gum on his pea, Joe wins 100 dollars. The astonished banker searches himself laboriously, and finally fishes out a 100-dollar bill, which he disconsolately tosses to Joe.

On his way back to the court-house Joe meets a pal, to whom the court was due to pay 100 dollars. So he says, "Come along with me and bring your bill; I'm paying the court 100 dollars." "Right!" assents he.

Arrived there, Joe pays in the money. His pal then goes in and gets it from the Clerk. But on the doorstep the Clerk re-appears in his private capacity from the side entrance, and demands the 100 dollars from Joe's pal in settlement of a debt. Before the Clerk has gone ten yards away he meets a creditor of his for the same amount, and pays him with the 100-dollar note. This rather intrigues Joe, and he sets himself to watch what happens further to this piece of paper. Well, during the rest of the day he watches it gyrate round the settlement effecting settlements right and left, until it has changed hands about one hundred and thirty times. Finally, Joe sees it come into the hands of someone who owes *him* 100 dollars. So when Joe gets back to his shanty in the evening he has this much-travelled note in his keeping again.

During the night he is rudely awakened to look up the barrel of a revolver held by the pea-and-thimble banker. "Where's that 100-dollar note?" demands the intruder. "Up in that tobacco jar," answers Joe, accepting the inevitable. "Thanks," says the banker, extracting it. "Now, exchange ain't no robbery; so how about these?" continues he, offering Joe four 25-dollar gold pieces. Then, going to the fire, tearing up the note, and dropping the pieces in, he remarks to his amazed companion, "I've been looking for you most of the day, and was scared of my life you'd pass it on to someone. It's a counterfeit!"

When Joe snuggled down to resume his slumber after an unnaturally long cogitation, this curt commentary took wing from his pillow: "Waal, if that don't beat Hell!"

Moral (1). Bad money can discharge debts as effectively as good, so long as it is accepted.

Moral (2). It is general acceptance which creates the value of any money, not any inherent property it may possess, whether it be of gold or paper, or be created by the State, banks, or out-and-out rogues.

New credits, therefore, are created at the public's expense. Properly regarded, it is the public that advances them, not the banks; but as the latter do the book-keeping, they are regarded, and regard themselves, as the lenders.

But the people for whom these credits are created only get them as loans; and as it is the nature of all loans that they must be repaid, the borrowers, after spending what they have borrowed, have to recover the amount from somewhere in order to repay the banks. The only way in which they can recover it is through prices, by the sale of their goods. The spending of the borrowed credits (created out of nothing) had an inflationary effect on prices which robbed the public of purchasing power equal to the amount of the loans. The goods bought were in effect stolen from the public, unwittingly, and without evil intent, of course, no return being made for what was taken. The subsequent sale of the borrowed, or stolen, goods, now probably increased in value by the labour of the borrower or his employees, means that the amount of the loans has been taken from the public a second time; but this time an equivalent in goods is given in return.

Every new credit, therefore, affects prices twice over, once at the time it is created, borrowed, and spent, and a second time when the goods it was instrumental in making are sold.

It is a distribution of income once; but it creates a cost which remains in prices as a permanent charge on industry, borne by some business or other, until a bankruptcy, or a forced sale under cost, or a writing down of capital, blots it out of the community's book of costs.

Every cost has, as it were, two lives—an ephemeral life as somebody's income, and an eternal life as nobody's income; and, as the ephemeral is always passing into the eternal, the level of prices is always rising relatively to the level of incomes; and this causes economic instability, poverty, and unemployment, which, again, leads to revolution or war, as we have seen.

Twelve o'Clock.

"Shakespeare strikes twelve every time."—Emerson.

EXTRACTS FROM "THE NEW AGE."

(Edited by Sagittarius.)

"Industry has now to earn, at a low peace-price level, the means to defray the cost of productive installation calculated on a high war-price level."—Notes of the Week.

"The Dole and Old Age Pensions are merely the fore-runners of 'Dividends'."—Avalon (Letter to the Editor).

"It is significant enough for the public to learn on the authority of an ex-Chancellor of the Exchequer [Mr. Snowden] that large financial houses have the power, and use it, to impose limits on the scope of Parliamentary legislation."—Notes of the Week.

"What's the game?" the electors will ask; "Why shouldn't we vote?" The answer is that the promises of candidates for Parliament are valueless because the bankers run Parliament. To elect somebody to Parliament is to elect an office-boy to the Bank of England."—Notes of the Week.

"The ideals of Communism are closely akin to those of the Society of Friends, and the challenge of Bolshevism is a challenge as to ways and means of putting idealism into action in the form of a Communal State."—The Challenge of Bolshevism. D. F. Buxton.

Views and Reviews.

SYMPOSIA.

By Philippe Mairet.

It is high time for someone to go into the question of literary Symposia, and to tell us just what is the good of them. Since the War especially, idealistic feelings and even energetic actions have been inspired by the idea of persuading a literary *élite* to collaborate in publishing their views of the world's condition, and so leading mankind to a consciousness of its destiny and to a common hope and plan for its salvation. Since a nobler end in view is hardly conceivable, and as several Symposia have already appeared, it is surely time to ask why we are no better for them—or, if that is a premature question in the circumstances, why at least are the books themselves no better?

Keyserling's Book of Marriage, for instance, is a large and costly tome which everybody had to review, and it was written by good men. By good men I mean sufficient men, men who have a meaning to the intelligentsia. The book is devoted to the most popular topic of conversation that any journalist could have imagined. You can get from it all the most interesting notions about marriage that are circulating in the Western World, and even pick up a few from the East. But I defy anyone to find out from the book what he ought to do about it: for whatever he is inclined to do there is at least one of the contributors to give him reasons for it, and another with just as good arguments against it. If he has any neurotic trouble in relation to the opposite sex this book can be relied upon to complicate it. Few, probably, of the contributors had met each other more than once or twice and most of them never, while several must have discovered each other's opinions on the subject for the first time when they read the book, not knowing whether they would be pleased, interested, or repelled by them.

No one grudges Count Keyserling his brilliant success and his editorial leadership of such illustrious writers, but I hope no one credits him with having initiated any action by an aristocracy of talent, in the sense in which Allan Upward, M. M. Cosmoi, and some other NEW AGE writers have conceived it. As for the Count's preface, describing all these discrepant articles as the instruments of a great symphony, and himself as a sort of conductor, it is such high-falutin' acting that I wonder some reviewer didn't pluck up heart to say exactly what he thought about it.

There is not a better idea on earth at present than that the thinkers who write should collaborate in both thinking and writing. Therefore it is an uncongenial task to belittle any effort which even looks as if it might be a step towards its realisation. But it is quite easy to get writers to print under the same editor with no result whatever beyond a little literary success. The public gets nothing out of it, for the writers are no wiser together than they were separately; they are only exciting a little extra attention by mere collocation.

Unless there is a deeper meaning of actual mental or social collaboration, expressed or implied in a symposium, it is really better to discountenance it altogether.

For this reason I have postponed any careful reading of "Whither Mankind?"* until after the statement of some opinions about literary collaboration, which I share, partly at all events, with some of the other writers of this page. I quite see Mr. Charles A. Beard's point of view. If the German

*"Whither Mankind?" A Panorama of Modern Civilization. Edited by Charles A. Beard. (Longmans, Green and Co. 12s. 6d. net.)

Count heads a troupe of celebrated writers in a book on Marriage, why should not an American writer do the same with a book on the whole vision of modern civilisation? Why should he not have a still higher ambition—to prove, by the mere fact that Hu-Shih, Bertrand Russel, Julius Klein, Beatrice and Sidney Webb, etc., etc., are playing for the moment in his team, that Spengler is all wrong, and that Metropolitan civilisation is all right after all? Why not, indeed? the mere fact that he can have such an idea, however, is a horrid confirmation of Spengler's gloomy argument about Western decline. Still more so is the fact that independent minds are content to join his cortège.

So I am not much reassured by Mr. Beard's prefatorial remark that "each writer was given a free hand. None of them was asked to assume any responsibility for the opinion of others." I know that is precisely the way in which people evade any responsibility for their own. Nor am I comforted by a glimpse of Mr. Bertrand Russel's characteristic observation that "Science is becoming increasingly a manner of life, a way of behaving and is developing a philosophy which substitutes for the conception of knowledge the new conception of successful behaviour." I seem to have heard before that nothing succeeds like success. His paragraph, "Plato, if he could return to the world, would make friends with Dean Inge and accept his views on modern civilisation *in toto*," is a pearl of great price, especially the *toto*. But I don't collect howlers. In short, I shall read the book with care, and perhaps return to the discussion of it, but I confess to complete scepticism about its value. It comprises long articles on Science, Business, Labour, Law, Arts, Philosophy, and so forth, but finance and psychology are conspicuously absent from its perspective. It may be useful as a timely warning to writers whither Symposia so shallowly conceived are likely to lead them. I could hardly think of a better way to render writers insignificant than by appealing for "collaboration" in what might appear to be a very dignified enterprise.

Verse.

[From French Songs and Verses. Allen and Co.]

JE SUIS UN PETIT GARÇON.

Je suis un petit garçon
De bonne figure
Qui aime bien les bonbons
Et les confitures.
Si vous voulez m'en donner
Je saurai bien les manger —
La bonne aventure,
Oh! gai!
La bonne aventure.

Je serai sage et bien bon
Pour plaire à ma mère,
Je saurai bien ma leçon
Pour plaire à mon père;
Je veux bien les contenter,
Et s'ils veulent m'embrasser —
La bonne aventure,
Oh! gai!
La bonne aventure.

Lorsque les petits garçons
Sont gentils et sages
On leur donne des bonbons,
De belles images;
Mais quand ils se font gronder
C'est le fouet qu'il faut donner —
La triste aventure,
Oh! gai!
La triste aventure.

(ANON.)

Drama.

The Play's the Thing: St. James's.

Before the second performance of "The Play's the Thing," Sir Gerald du Maurier came in front of the curtain to confess that "last night we had the most awful failure . . ." and that "we must have been very bad." He asked the audience to see the play, which had run two years in America, uninfluenced by anything they had heard or read of the first performance, and to give their own judgment at the end. It was the stroke of a master of audiences. This audience not only threw their hearts over the footlights, they threw their hearts over again every time Sir Gerald occupied the stage alone. Their enthusiasm for the man was evident, but they could not be in a fit mood for judging the play. Knowing nothing of the first night's performance, I did my best to consider the play, through my share of the mass admiration for the strategic feat which, in a speech lasting two minutes, had put the whole theatre into a state of readiness to be pleased.

Sandor Turai, dramatist, had just arrived with his partner and musical composer, at a castle on the Italian Riviera for a holiday. The prima donna, on the preservation of whose matrimonial engagement to the musical composer the success of their next show depends, is already there. So is her one time teacher, whose fees had been what women pay when they have no money. The audience, the dramatist, the partner, and, finally, the composer, overhear the old teacher in the lady's bedroom, begging for love's sake the favours he had in the past obtained only for services. While the composer lies on his bed staring at the ceiling the partners survey the inevitable wreck. Sandor Turai, however, stays up all night to compose a play in which the overheard passion appears; he knocks the pair of lovers up in the dead of night, and intimidates them into agreeing to perform the play that evening at the castle concert. When the lovesick young composer hears the love-scene at rehearsal, a great light dawns on him, and kisses celebrate the shame of one who had blamed only because he did not understand.

No play without merit could run anywhere for two years. This play contains some amusing incidents and good lines. In America, however, there must surely have been a great difference in the method of production. As seen, "The Play's the Thing" appears to have been put together in a very dry country. It does not flow. It moves, like the ice in spring, in pieces, and no piece is moved away until it has been lying about too long. The rehearsal in the last act is by far the most amusing passage in the play. Nobody notices how foolish his midnight sweet nothings are until they are spoken, if only in court, before an audience. The joke of giving the erring lady only short and infrequent speeches, and the "cad"—he was even a married man with a family—long ones filled with the interminable titles of French imaginary personages was good. But it was not good enough for "Punch" articles. It had had it too often before it was finished. Besides, that form of humour had been worn nearly through in Sandor Turai's inability to remember the name of the footman, Dwornitchek.

The time saved in introducing the characters by their boldly coming to the footlights and giving their names and professions was not as well used as it would have been by working out these confessions in the conventional way. In the first act the meat was hammered out of the unluckiness of Friday until it lost all flavour. The description of the journey's incidents, the dog run over, and the good coffee at lunch, was spun far too long for the strength of the thread. This, together with the talk about beds

and baths, put the play under the hopeless handicap of a trite beginning. Even the plot is evidence of the sandiness of its origin. No woman in the world, caught in the act of consenting to an illicit kiss, has failed to think of the plea that it was part of a rehearsal for a play; luckily, in most cases the man tries to think of something less certain of disbelief. The idea has been used, to the extent of one line, in hundreds of farces. True, on this occasion the persons concerned are theatre-people, but only a bustling, farcical, production could have got a ruse like this past the audience's faculty for assessing probability. By the restrained, ultra-natural manner adopted, no doubt to emphasise the contrast between what in the play is "life" and what "theatre," no audience could be captured. Several times during the performance I felt confident that the American success—if Mr. Wodehouse's adaptation was used—must have been in the more vigorous kick and rush style of the second division. Here the polish was far too good for the material, and it displayed the material's poverty.

Mrs. Moonlight: Kingsway.

There was once an author who had the idea of making a stage parody of all the plays which disarm uncritical audiences, and make them happy by breaking their hearts. Into this parody he put an incident similar to one in every such play he had ever seen. He was deliberately making, he said to himself, a piece of pastiche, and that is what Mr. Benn W. Levy calls "Mrs. Moonlight" on the programme. But we have not finished the story of the making of "Mrs. Moonlight." When the witty and highly intelligent author got going he found himself exulting, not in the labour of parading, but in the fact that he could do the sob-stuff play as well as—or even better than—King Barrie. In the past, when women with deficient emotional lives got distraught they went and had a good cry; men went and had a good war. As Mr. Levy progressed with his work he said to himself that possibly there was as much virtue in a good cry as in a good war, or, indeed, as in the maniacal pursuit of violent excitement. So Mr. Levy provided, not a burlesque of opening medicine for the overwrought, but medicine with a bouquet.

It is difficult to decide between censuring Mr. Levy for the good things of his own he has wasted by putting them into a piece of pastiche, and congratulating him for the power of the thing he has made. For the sentiment of the play holds a high proportion of true and legitimate pathos. The under-theme is that the most coveted favour of all, a life-time of youth, would entail a sad loneliness for the favoured one by cutting her off from all her kind, viewed from the standpoint of ideas and growing up. It is an original theme, and it rings true. Yet it is for the critical and cultivated audience almost a trap, in which they are caught and made to shed tears at an old man in his dotage, and his old but girlish-looking wife, re-enacting the scene in which they fell in love. Again, however, Mr. Levy does not run away from the logical necessity of the incident, and both die at the end of the play. Immediately before this last meeting one has to decide quickly whether to stand cynically aloof, no matter what happens, or to be melted into tears. I decided to let myself go with the actors, and wept with the audience. I readily acknowledge that I felt better for it. Mr. Levy now, however, owes the world a great play, not a pastiche that makes us weep, but a tragedy that silences and awes.

Leon Quartermaine is a clever actor, but middle age does not inspire him. As a little over forty in 1881 he was not happy. He has too much energy for the part of a happy, prosperous husband of that age and epoch. As the helpless old man in the third act he was magnificent. As two stock-characters—

though Mr. Levy's, like Dickens's, are much above ordinary stock-characters when he has dressed them and written their speeches—*Bligh Chesmond* and *Walter Pearce* gave two excellent performances. The latter had a long passage early in the third act about an invention in which he did conspicuously well not to make the audience cough. *Bligh Chesmond* reminded me of *Sebastian Smith's* performance in Mr. Levy's "This Woman Business," probably because of some similarity between the characters. This actor had to represent a dull, cautious, fellow with a mind that worked slowly, but always faithfully in pursuit of the main chance. The result of a piece of intelligent acting was the richest comedy. *Frances Ross-Campbell* as the old Scot servant had the part which authors make for her, until the last act, when she silently and perfectly showed what she could do. As Mrs. Moonlight's daughter, *Alison Leggat* was, in the second act, the actress her performance in "The Fanatics" led us to hope for. But it is Mrs. Moonlight's play, and *Joan Barry* gave a performance to be seen. I would urge her, however, to attend to her pronunciation, and should prefer one more in keeping with the Irish associations of her name than reminiscent of suburbia. With pure vowels instead of so many formed with flattened or pursed lips her whole performance would have been of moonlight. Her beautiful voice and other-worldly presence made heart-break very pleasant as it was.

PAUL BANKS.

The Screen Play.

"Not Quite a Lady."

The Tivoli is one of the few English picture houses which have established as definite and clear-cut a reputation as His Majesty's or Drury Lane among "legitimate" theatres. One appreciates the *geste* which impelled the showing of a British film at the re-opening under new management last week, but there would not appear to have been any compulsion to choose so singularly inept, amateurish, and old-fashioned a film as "Not Quite a Lady," based on that old-fashioned play "The Cassilis Engagement." This is one of those dreary dramas on the fly-blown theme of the low-born girl engaged above her station who, quite naturally, jars on the family and friends of her fiancé, and is equally jarred by them. Even in the outermost suburbs this type of penny novelette must have lost any attraction it possessed during the closing years of Queen Victoria's reign. And having elected so hopelessly banal a theme, the director has saddled it with every conceivable trick of outmoded staginess, including a completely incredible stage clergyman belonging to the period when a few British playgoers had just heard the name of Ibsen. After seeing Mabel Poulton in "The Constant Nymph," it is a tragedy to have to watch her in this incompetent production. Of "Not Quite a Lady" one can say that it is not nearly a film, even when judged by the mediocre standards of our complacent native producers, who honestly seem to believe that they are incapable of turning out anything but masterpieces. What the British industry badly wants is a prolonged course of birth-control, less smug self-satisfaction, and the honest desire to learn the elements of film construction. In addition, most of our male and female "stars" should never be allowed to inflict themselves on the public again.

"The Woman Disputed."

This, the second film in the Tivoli programme, demonstrates how incomparably better the average American film designed only with an eye to the box-office is than the average British film designed with an eye to God knows what. The story is pretty thin, its elements being mainly the prostitute with a

delicate mind who sacrifices her virtue (in the strictest technical sense) for the sake of her country, and an extremely long arm of coincidence. It is a film which one should only see with a portion of the critical sense in abeyance, but, granting the plot, it is an enjoyable and full-blooded entertainment, and is an enjoyable and full-blooded entertainment, and notable for the admirable acting of Norma Talmadge. Here is a screen actress who knows her job, and whose methods might be studied with advantage by the chocolate-box simperers who are believed by British directors not only to be both artists, but also to possess names of a box-office value.

"A Daughter of Destiny."

Ostensibly this film (Capitol) depicts the victory of hereditary criminal tendencies over environment, although as shown in England there is virtually nothing to suggest that the heroine, superbly played by Brigitte Helm, who established herself in "Metropolis," exemplifies the discredited theories of Lombroso. Allowance must, however, be made for drastic cutting in order to pass the censorship, which in parts badly destroys the continuity, exactly as was the case with "Metropolis." Galeen again shows himself to be notable even among the greatest Continental directors, and Brigitte Helm demonstrates that she is not dependent on an individual producer. This is one of the films which revive the faith of the most critical in the art of the screen.

"Husbands for Rent."

In the same programme figured a film which is worth seeing both for its badness and as exemplifying the cynical indifference of some firms in the industry to the intelligence of the public. "Husbands for Rent" tells an incredibly uninteresting story, and its alleged picture of the English aristocracy is a grotesque caricature of any conceivable phase of English life. Apart from its other production errors, the sub-titles are in a language apparently a pidgin to be English slang, but which is actually a provincial American dialect existing only in the minds of provincial American directors. And to all its other faults, this film adds that of excessive length.

DAVID OCKHAM.

Music.

Moor Double Keyboard Piano. Queen's: November 17. A very interesting instrument this, with two keyboards, sub and super octave couplers, on the lines of the harpsichord. It is, however, a very obvious acoustic mistake to use a piano smaller than a concert grand thus fitted, in the concert hall. I believe the plea is made that the coupler devices so supplement the normal sonority of the piano that the necessity for the larger instrument is abolished. This is not so. The concert-grand quality, as it may be called, depends on the great length of string and size of sound-board, and cannot be produced in a smaller instrument, which inevitably sounds tubby in the concert room. The hard, dry, unpleasant piano tone cultivated by French piano makers (the world's worst, with the possible exception of a few notorious English firms) and a not at all exciting player, did not produce happy results, for the Moor double keyboard accentuates the defects of tone of the instrument to which it is fitted, and also of the player. One looks forward to hearing some of the great German and American pianos into which it is to be built, and particularly to hearing a player of the rank of Backhaus upon the instrument, which it appears he will use exclusively in the most exciting possibilities of developments in piano technique, many of the things now very difficult or impossible upon the normal keyboard becoming quite simple, and it enables harpsichord music to be properly played upon the piano, that is to say with the

doublings and mutation devices which were part of the nature of the harpsichord, and which were lost when the piano usurped its place.

Mrs. Gordon Woodhouse. Grotian: November 20. Like Mr. Ernest Newman and Gerhardt, I find myself at a loss to say anything more than I have formerly said about this very great artist. Her conceptions of nuance, of phrasing and tone gradation begin a long long way after those of our most successful and admired fashionable *virtuosi* end; rather would one say that they enter a fourth dimensional realm quite outside the conceptions of all such. One is almost tempted to say that of living *virtuosi* only Egon Petri and she know how to play Bach, and here once again it is fitting to draw attention to the fact that weeks of Bach recitals are *not* a criterion of merit as a Bach player; rather the reverse. At last, too, it seems that Mrs. Gordon Woodhouse is on the way to acquiring an audience that appreciates her as she deserves.

KAIKHOSRU SORABJI.

Drawing and Painting.

Goupil.

Really an excellent representative show. We are put in a good humour as soon as we enter the Small Gallery by the sight of Wilson Steer's (3, 6, 8) soothing and cleverly-blent seaside sketches in wash, with their limpid skies and untroubled sands. He manages to convey that unique quality of an English seaside holiday which Mr. Noel Coward refuses to acclaim, namely, the fun of lying on your stomach on the sands throwing stones at a stick, or sitting in a deck-chair, knitting a garment which only the brave can wear. Ronald Gray (9) is plainly a disciple of Steer's. We are disappointed by Gimmi's circus study (24), because his adroit mastery over the difficult pose of the figure in the foreground fails to atone for the lumpy carelessness of the other figures. A fine Sisley (83) delights our eyes, one of those dim, familiar tow-path afternoons of winter time, whose unobvious beauty his brush has expressed where our words cannot suffice. With him we find two Monets (84, 85), the first in his early manner, the second a masterpiece of broken colour, but marked nearly £750 cheaper; which is strange. We are interested to note the development of that vigorous and clear-eyed artist Elliott Seabrooke (81, 82, 86, 87). William Nicholson's "Marcel Fishing" (91) is no more than not bad, while William Clause's "Study of Trees" (92) is excellently designed, though the justice of the colouring is doubtful. H. W. Addison pleases us with his portrait of a crab (97), because he is frankly naturalistic. Dammit, his crab is a crab, whatever the seamless-jawed may say. Philip Connard's still life (114), Charles Genge's café (115), and Princess Pat's "Indian Marigolds" (116) are all pleasing. But perhaps two of the best pictures in the show are Stanley Spencer's studies of Halifax (117, 118). They are definitely achievements in inspiration as well as technique. We like Gilbert Spencer's two sketches (123, 124), and R. V. Pitchforth's shady corner (129), which has caught very subtly the atmosphere of its situation. A pity it lacks finish so completely. Eric Boston can do better than his "Thaw at Piddington" (184), Beatrice Bland's "Dover" (202) is as bright and vivid as all her work, and we find drawing, pose, and colour equally excellent in Fairlie Harmar's "En Train de Bgmainger" (213). Nor must we withhold a word of praise for a clever little sight of Grasse by Evelyn Abelson (217).

R.B.A.

The 170th exhibition of the R.B.A. at Suffolk Street Galleries is worse than any Royal Academy, because, as far as one can say, not the slightest discrimination has been used in selecting the pictures.

Many of them are utterly undistinguished, and most of them are fair to middling and no more. We like G. C. Drinkwater's "Nude" (10), but are only mildly impressed by de Laszlo's Duke of Northumberland (23), which is, however, a good portrait of that rather maligned but very human personage. Mary McCrossan's "Coloured Shops" (75), and Robert Morley's "Dick Whittington's Home" (97) are pleasing, and Rosalie Emslie's "Waters that Listen" (106) is a good nude study, spoilt by a needlessly awkward sitting pose. Undoubtedly the best thing in the show is A. Ernest Bottomley's "On Earlswood Common" (133), which is stark and bright, the work of an artist with some sense of responsibility. Two other pictures call for mention, one of them Bainbridge Copnall's study of his wife and child (238), which is distinguished by the remarkably beautiful expression of the mother's face, and Richard Sickert's "Easter" (243), which shows us how an artist can take the window of a suburban drapery shop and find something to say in it. We would suggest that next year, as soon as the R.B.A. has got all its pictures ready, that the hanging committee reconsider them, and show 150 really good pieces of work instead of 500 indiscriminate and commonplace oddments.

LEOPOLD SPERO.

Reviews.

The Man Who Understood Women. By Lieut.-Col. Charles James. (Fowler Wright. 7s. 6d.)

We cannot help feeling attracted by the quaint Pickwickian gusto of this novel, with all its faults and with all its spiritual plagiarism and its sheer crudity, as when the author stages some obviously dated Edwardian scene and tries to bring it up to date by mentioning contemporary gadgets. We can see his spirit is with dear old "Pitcher," the real pre-war "Pink 'Un" style. But it is quite possible to read his novel straight through without stopping, a test of quality which many of these superior writing persons could never face.

L. S.

Townshend of Chitral and Kut. By Erroll Sherson. (Heinemann. 21s.)

Charley Townshend began life with many advantages. He belonged to an influential family, who felt kindly towards him because his father was a nobody and helped him because he looked like being somebody. His very capable biographer seems proud to have been a cousin of such a man. And yet, though he lavishes praise on his hero, Mr. Sherson is so honest that we have no complaint against him. For despite all the hero-worship, thinking of his own glory, as he was, the supreme egotist, thinking of that futile word, in the real, rambling French sense of that futility, without a moment's care for the tragedy which the pursuit of that glory might bring upon others. Proof? Ask any man who survived the Kut business, who lay in a filthy Turkish dungeon, thinking of the comrades who had died like dogs on the hellish march after the surrender, while Townshend sat comfortably in his villa at Prinkipo, told the Turks what perfect little gentlemen they were, and advertised his ambassadorial gifts to the world when the end drew near in September, 1918. There was never any question with Charley Townshend of anybody but himself. We see it in his frantic restlessness as a young man, dodging hither and thither to catch the limelight. He was made a hero as a young man for the defence of a threepenny mud fort on the Afghan border. And after a lifetime of heroics equally cheap the newspapers crowned him with a regular halo for one of the most selfish and humiliating pieces of folly which ever discredited British generalship. The fact was that Townshend, brave enough in his flashy way at all times, took on the whole because he thought it would enable him to hog the whole credit from the other generals. He talked very big at all times, refused advice from people who knew better than he did, and, for all his boasted study of military history, learnt nothing from the example of Cornwallis, Mack, or Bazaine. And when the time came for Enver to order his unconditional surrender, he laid down his arms like a lamb, "I...I...Me...Me..." from first to last there was never such an egotist. And the amazing thing was that he got away with it. The Sixth Division cheered him when they parted, Townshend to comfort and the contemptuous commiseration of his enemies, and the gallant

Sixth to—only a soldier of the Sixth can say what filth and misery. And then, on the top of it all, he had the nerve to set himself up as a volunteer plenipotentiary and brand his country ungrateful because, having paid his services no less than they were worth, she pushed him into half-pay at last. Only a man with the hide of a hippopotamus could have dared after that to enter public life, and only Townshend would have done it under the aegis of Horatio Bottomley.

The Problems of the Civil Service. By Sir Albert Flynn, K.C.B. (Cassell. 1s.)

One of the most tempting red herrings drawn across the trail of thought which might lead to financial re-organisation is that of the extravagance, inefficiency, and general unsatisfactoriness of the Civil Service. Such accusations will receive little support from this booklet, written by an ex-Civil Servant of high rank and wide experience. Sir Albert admits a tendency to red tape in his profession, but points out that this is not due to the Civil Servant so much as to the laws by which he is bound, "the most red-tapey, complicated, unfeeling things in the world." He utterly denies the charge of incompetence, and claims indeed that "the Civil servant performs his work with great diligence, honesty, and conscientiousness," he lays particular stress on the Service's war achievements, when the staff "sallied outside the defences of red tape to get things done. Some died of overwork." He supports the rank and file civil servant in his demand for the abolition of the "caste" system and for the opening of the higher posts to the efficient subordinate. His remarks on financial problems within the service, on the relations of the departments to the Treasury, and on those of the Service to Party Government are of especial interest viewed in the light of the Social Credit Theory. The relations of the Treasury to the Bank of England do not enter within the sphere of his argument. Still, in spite of Sir Albert's spirited defence, it is hardly to be expected that attacks on the Service will cease; they are too useful in diverting attention from other quarters.

This Film Business. By Rudolph Messel. (Ernest Benn, Ltd. 12s. 6d. net.)

Judging by a certain talent for epigram, Mr. Messel, whom I take to be a very young man, could have written a most entertaining essay on the kinema. But a volume of nearly three hundred pages is too much, both for him and his readers. Although "This Film Business" may be read with interest as a history of the development of the screen play from most unpromising beginnings, it is excessively padded out and devotes far too much space to girding at American producers, for whom it is impossible to devise a fresh insult. Incidentally, Mr. Messel does not seem to have heard of Friese-Greene, the Englishman who really invented the cinematograph, and he, or his proof-readers, should have revised the statement that "Sunrise" is "as yet an unknown quantity." This film, which has already been "generally released," attracted unusual attention when it was first publicly shown in England at the beginning of the year.

I must, however, give Mr. Messel full marks for according proper credit to D. W. Griffith as the first artist to enter the field of production, for his recognition of the genius of Charlie Chaplin, and for his realisation of the fact that the producer of a film matters so incomparably more than the "stars" engaged in it. And there is one phrase for which I take off my hat to the author—"Even England may be goaded in time into producing something that is not merely so much celluloid covered with so many pictures."

Last Changes, Last Chances. By H. W. Nevinson. (Nisbet. 15s.)

This is the third and last volume of Mr. Nevinson's autobiography, and it does not decline, but rather increases in interest, for it covers his varied experiences as a war correspondent during 1914-1918, and as a special correspondent during the Washington Conference in 1921. Mr. Nevinson was also in Ireland during most of the post-war troubles, including Easter Week. He devotes a whole chapter to Sir Roger Casement, that finely foolish man, who received a knighthood for his exposure of the cruel treatment of the negroes in the African rubber plantations, but who was hanged by the same Government for fighting their oppressive measures against the Irish. He should have stuck to the niggers, as the English have always defended the rights of all oppressed peoples except those who lived in the island next to them. Mr. Nevinson, by

the way, was one of the few people who used every effort to get a reprieve for Casement. In 1926, at the age of seventy, Mr. Nevinson found himself in Jerusalem, describing the Zionist organisation for the *Manchester Guardian*. He then set off for Bagdad by way of Beyrut, Tripolis, Homs, Palmyra, Rutbah, and Felujah on the Euphrates. While crossing the Syrian desert the heavy rains began to fall and the motors were sinking into the mud up to their axles. When he got to Bagdad, covered with hardened mud, he had a fine compliment paid to him by the five ex-Service men who had driven the cars. They went to the head office and said: "Look here, whatever happens we must keep Old Bill as a digger on the staff." This tale gives us the clue to Mr. Nevinson's character. Whatever he has had to do he has done with a will. He has risked death many times, and on more than one occasion his escape from spattering bullets in the trenches of the Western Front and the Dardanelles, and in the streets of Dublin, can only be ascribed to a miracle of luck, like his escape from Berlin in 1914. Characteristically, he closes the book with these words: "And now I will take leave of those who have so kindly followed these reminiscences of a long and varied career. But the leave-taking must be rather hurried, for I am just starting for the Near East for the twelfth time." J. S.

Pilgrims of Adversity. By William McFee. (Heinemann. 7s. 6d.)

Mr. McFee has written a dozen novels about sailors at sea and on shore, and he tells this long yarn with the assurance of a man who knows his job. He has read Conrad and is not afraid to quote him on the title page; he knows that, although this novel has the same background as "Nostromo," and although the atmosphere, even one or two of the characters are reminiscent of Conrad's fiction, he need fear no charge of plagiarism. Insurrections in imaginary South American republics; golden-haired Latin-American heroines of indescribable and fatal beauty, whose meanings few, but whose heavily-lidded eyes glance meanings pregnant with fascination; a ship's officer for whom filled with guns for revolutionaries; a ship's officer for whom hero whose motto is Duty and Integrity, and whose words are fewer even than the heroine's; these are not the patent inventions of Joseph Conrad, although to-day, whoever uses such ingredients will inevitably attract comparison with the work of that genius. Mr. McFee's "Nostromo" is not a work of continuous and lacks glamour. But it is a dramatic story of continuous and sometimes thrilling interest, well digested in the scenes, and set down with as much modesty as cunning. The captain of the tramp steamer, at least, is a piece of character drawing which is more than competent. And no one in the story, even the too Conradian hero and heroine, but has a touch of individuality. Altogether it is a novel worth reading. J. S.

LETTERS TO THE EDITOR.

CREDIT-REFORM POLICY.

Sir,—Mr. P. T. Kenway's letter in your issue of last week (with which I do not agree), and your comment on the letter of Mr. Dixon (with which I do agree), would appear to afford an opportunity for comment in regard to the "Plain Practical Policy" which we all desire.

First as to the meaning of the word "Policy," and means, itself is derived from the same root as "Police," and means, correctly used, for means of enforcing something which has been already decided upon. It does not mean, for instance, an end to be attained. It means a method of attaining it.

It is quite obvious that before you can have a policy in the above sense, you must have something to be enforced, and you must have a mechanism to enforce it.

At the risk of an accession of unpopularity, I must confess that, with a small number of most honourable exceptions, I have not yet seen any indication of agreement as to the end to be attained. By that, I mean the sort of determination which does in fact achieve its object. For instance, pointed out in your reply to Mr. Dixon, there is quite definitely an arrangement, or conspiracy, or whatever you like to call it, to refrain from mentioning my name in connection with the subject of Finance. Personally, I am pleased about it. It saves me a great deal of trouble. But as a matter of fact I notice a strong desire on the part of people who are "interested," to quote Mr. McKenna or Messrs. Foster and Catchings, or, in fact, anybody who from the financial point of view may be considered to be "respectable," in preference to names associated with the particular views that we hold.

It does not require much clear thinking to realise that the result of this is to add to the psychological credit of in-

dividuals who stand for ideas and an objective which is not that for which we, presumably, stand ourselves; and speaking with complete detachment, I am convinced that the first definite step to be taken is to refuse to accept as authorities individuals whose publicly-expressed opinion on matters of mathematics or fact is opposed to that of our own. I quite recognise the criticism to which I lay myself open; but that is my opinion.

Closely linked with this is the necessity for realism as to the course of events. Eliminating the contingency of the miraculous conversion of Wolves into Lambs, which is the sort of thing which does not allow of the application to it of ordinary reasoning powers, it has to be realised that while the mechanism of Finance, Industry, and Government is practically adequate to the ends that we wish to attain, a new policy in business or anything else always requires a new personnel.

I would therefore suggest as a second step, that those persons who really are prepared to take some trouble to move towards the end of a satisfactory reform of the Credit System should unite in securing the removal from the Governorship of the Bank of England of Mr. Montagu Norman, and should demand that a Governor be appointed to represent British interests and not American or German interests. The methods to this end will easily suggest themselves.

A little courage, Gentlemen! C. H. DOUGLAS.

CASH AND CREDIT.

Sir,—I dispute Mr. Dowson's notion that his confusion of the terms Cash and Credit is more "fundamental" than my distinction of them. No doubt if I went to Mr. Barker for my inspiration I should believe and think like Mr. Dowson, who is evidently more at home in reflecting others' intelligence than in exercising his own.

ARNOLD J. W. KEPPEL.

[Cash is a form of credit in our definition. Whether all money circulates by cheque, or by currency-notes, or by bank notes, makes no difference to our analysis of the economic problem or to our solution of it. Hence it is not necessary for our purpose to distinguish them. It may be for Mr. Keppel's; and if so his purpose is not the same as ours.—Ed.]

"AN OUTLINE OF SOCIAL CREDIT."

Sir,—"H. M. M." gives his case away badly in the fourth paragraph of his "Outline of Social Credit," Part II., and in a manner which must invalidate the whole of his subsequent argument.

(1) For (and assuming his premises), if the "outside payments" of a first firm (let us now suppose) are all made to a second firm, e.g., on account of raw materials or of capital goods, and represent this second firm's sole income (this second firm, further, having no "outside payments" to make), then, even on "H. M. M.'s" own showing, it is clear that the incomes of the two firms together are sufficient to purchase the product of their industry.

Thus, although it is obviously true that one firm by itself, where it has to make "outside payments," can never buy the whole of its product with its income, "H. M. M." has not shown that two firms together, or a group of firms, or a whole nation, cannot.

(2) In short, he has not shown that all firms have to make "outside payments." Nor has he shown any reason why we should suppose that a firm which makes "outside payments" should be regarded as if it were solely responsible for the net final product, and therefore capable of buying it. It is clear that where a firm makes "outside payments," more firms than one are implicated in the final product.

Furthermore, supposing for a moment a nation without foreign trade, it is obvious that all its payments must be "inside payments." Consequently, such a nation can, *ex hypothesi*, buy the whole of its product with its income.

If we admit foreign trade, which "H. M. M." discusses in Part III., then we have, as "H. M. M." implies, to take "world economy" into consideration. Here, again, all payments must be "inside payments."

Reduced to its lowest terms, "H. M. M.'s" argument is equivalent to the proposition that no industry, nation, or community of nations can be self-supporting. Which is obviously absurd.

ARNOLD J. W. KEPPEL.

[(1) The payment by the final-product firm to the raw-material firm is not made at the time that wages, salaries, and profits are distributed in return for the production of the raw material, but later. All the wages and most of the

salaries have been spent on goods distributed in a previous time-cycle of production, and much of the profits will not be spent on goods until they have been instrumental in the production of further goods. When the raw-material firm receives payment, the credit transferred to it is, in all likelihood, due to the bank for cancellation. No wages and salaries can, therefore, be distributed for the purchase of that portion of the product equivalent to raw material until the credit is issued again.

(2) All firms (bigger than the village carpenter using locally grown timber and home-made tools) have outside payments in the sense that they have to make payments to the past. The capital value of industrial plant, buildings, etc., is a debt which the present and immediate future cycles of production owe to the past. The equivalent purchasing power is not at present available in the hands of consumers. There is no machinery (social credit is suggested machinery) for distributing it. Until it is distributed, purchasing power in the hands of consumers remains insufficient to purchase the product at cost price.—Ed.]

BENTHAM AND CHRISTIAN MORALITY.

Sir,—*Pace* Mrs. Gracie, I must stick to what I said about the preaching and practice of Christian morality in Bentham's day, and would apply it to the rest of Europe as well as England, and both to social ethics and individual ethics, in so far as these can be considered separate. As long as the Book of Common Prayer and its equivalents in other branches of the Christian Church continued to be read and the New Testament read, Christian morality was inculcated. Nor had the weighty moral theologies of the Roman Catholic Church disappeared from knowledge. The essential thing was that practice did not follow precept.

HILDERIC COUSENS.

PIN PRICKS.

Sir,—Our "pins" are really "needles," some carrying a much-needed anti-toxin, and others a thread of new ideas. But Mr. Kenway overlooks the necessity for, and the nature of, stimuli in everyday life. Further, he fails to differentiate, e.g., between the pinprick inflicted on his classmate by a naughty schoolboy and the beneficent pinprick administered to a sufferer from that kind of coma which ends in death. Stimuli, invariably small in themselves, are yet more than significant. Man's greatest works are the outcome of tiny changes ("pricks") in his brain. And these works tell the same story; a few ounces pressure on an electric button will open a pair of 500-ton lock gates.

Orthodox dicta being both fatuous and dangerous, we are surely justified in adopting any tactics—even those which "shock" the public—provided that they are calculated to stir men out of their lethargy. I have already seen the results of pinpricks. Let them increase.

Mr. Kenway asks for one practical policy. I will risk his displeasure (?) by suggesting that it will be far better for him to cease sticking pins in his friends! A "pricked conscience" has frequently stimulated a renaissance, and times are now propitious.

ERNEST A. DOWSON.

ANSWERS TO CORRESPONDENTS.

E. H. B.—If you will re-read pp. 122 and 123 of "Post-War Banking Policy," you will see that Mr. McKenna defined money, in that particular context, as currency and bank-deposits withdrawable by cheque. So when he says that money remains rooted in the country of its origin, his statement is not invalidated by reason of the fact that gold is imported and exported. Gold is not money—it is bullion; and it is still bullion even though it be in the form of sovereigns, such as you point out have been exported to Canada (£503,000). But, waiving this distinction, when you contrast the aggregate value of gold movements with the aggregate amount of credit circulating in the country, Mr. McKenna's statement would be practically true, even if you chose to regard the gold as money, instead of what it is—a bankers' commodity.

Arnold J. W. Keppel.—We are publishing two letters from you received this week, and have now received another which would fill practically a page of this journal, and which raises so many issues that we should require another page to elucidate them—even supposing we could be sure what to elucidate them to all your terms. The New Age is meaning you attach to all your terms. It is not worth our while to try to convert you or to embrace the opportunity of being converted by you, through the medium of this journal. If you think, as you say, that you "can lay your hands on the heels," your best policy is to offer your thesis to any of the financial journals or magazines. If they take it up we will answer them fast enough.—Ed.

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