THE
NEW AGE
INCORPORATING "CREDIT POWER"
A WEEKLY REVIEW OF POLITICS, LITERATURE, AND ART

No. 1894] NEW SERIES Vol. XLIV. No. 9. THURSDAY, DECEMBER 27, 1928. [Registered at the G.P.O. as a Newspaper.] SEVENPENCE

CONTENTS.

NOTES OF THE WEEK.

The conflict between Bolivia and Paraguay is a potential menace to world-peace. It seems as though the States of South America are destined to fulfil the same function as have the States of South-Eastern Europe, namely, that of being cat's paws for the Great Powers. In the present case the chestnut is an area of land, lying between Bolivia and Paraguay, called the Chaco territory. Even if these two cats ate chestnuts, the spectacle of their fighting each other for this one presents a bit of a puzzle to the ordinary observer, because, from most accounts, it is a bad chestnut. The Chaco territory is said to be mainly composed of unexplored tropical forests and malarial swamps. In 1876 its ownership was the subject of a dispute between the Argentine and Paraguay, when the President of the United States was called in as arbitrator and assigned the territory to Paraguay. In 1894 Bolivia, by treaty, recognised Paraguay's right to it; but the treaty was not ratified. Bolivia's present claim to it is based solely on the frontier drawn in old Spanish days when she was the province of Upper Peru. Bolivia is an inland country in tantalising proximity to the Pacific coast to the west, but shut off therefrom by Peru and Chile. Argentina bounds her on the south, and Paraguay on the south-east, while Brazil completes the encirclement: so that there are five countries more or less directly affected by whatever war-risks may reside in the dispute. For Bolivia possession of the territory would enable her to push forward her south-eastern frontier and obtain direct communication with the Atlantic by way of the great Parana River and the River Plate. But it is hardly credible that she should be ready to risk a war merely for this objective, especially having regard to the trouble and cost of turning it to practical commercial advantage.

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In these circumstances we must look deeper for causes. It is rumoured in New York that Britain is backing Paraguay and America is backing Bolivia; and that the reason has to do (as usual) with the exploitation of the natural resources of the disputed region. A contributor to the *Daily Mail* of December 18, Mr. Michael de Lembeke, says:—

> "Perhaps a yet greater lure to the possession of this undeveloped territory . . . . can be discerned in the reported discovery of petroleum in several places. The results of drilling are guarded secrets; nevertheless, rumour speaks of immense deposits."

Mr. Lembeke, according to the *Daily Mail*, is a civil engineer who has an intimate knowledge of all the South American countries; so what he suggests is worth consideration, quite apart from the antecedent probability of petroleum deposits existing there. On the hypothesis that he is right, the underlying situation becomes as clear as crystal; and will add a chapter to Mr. Denny's book, *We Fight for Oil*, which we noticed at length in our "Notes" of September 20. Our readers will remember that Mr. Denny showed how Britain and the Dutch-Shell Combine had got hold of nearly all the oil concessions outside the United States, with the result that the great problem of that country was how to conserve her remaining oil resources in the face of her huge internal consumption. We said on that occasion—

> "An ironic feature of the situation is the fact . . . . that the Dutch-Shell interests control fields in the United States itself and are helping to drain that country to the tune of forty million barrels a year."

If, then, there is even the most remote chance for the United States to acquire newly-discovered fields on the American Continent it may be taken for granted that she will be driven by the urgency of her need to go to almost any length to get them. Not only is her commercial, but her naval, power at stake in such a struggle.

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American investments in Bolivia amount to about £20 millions. Recently a banking syndicate loaned her £5 millions. The Paraguayans declare that the Bolivians have used this borrowed money secretly to buy stores of war munitions: but the banking syndicate deny it. The New York correspondent of

the *Daily Mail* says that Chile has declared neutrality but that if the Argentine were to support Bolivia a general South American conflict might result. This risk naturally gives the Pan-American Conference a plausible reason for offering to arbitrate, and the latest news is that its offer has been accepted. Whether its finding will be accepted is another matter. Mr. Kellogg, the Secretary of State, who is supporting the Pan-American Congress as arbitrator, is a Standard Oil man, whose activities as such have been described at some length by Mr. Denny in his book. We suggested last September that in the circumstances of the world's oil situation Mr. Kellogg's Peace Pact might reasonably be called the Standard Oil Peace Pact, on the ground that America is short of oil and has a direct incentive to delay the outbreak of another war, which would be won or lost on oil. It is not unreasonable also to suspect that the now contemplated arbitration might be a Standard Oil arbitration; and if it turns out to be true that oil deposits are the cause of the dispute the whole affair will be a tremendous joke. At the very least the Conference would be composed of litigants, not referees, some fighting for Standard interests and others for Dutch-Shell.

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The Stable Money Association of New York, in its November *Bulletin*, publishes appreciative references to the late Mr. Benjamin Strong and his financial policy. Among the comments quoted are those of Mr. Paul M. Warburg, Mr. T. W. Lamont, Mr. George M. Reynolds, Mr. Silas H. Strawn, Mr. Simon Guggenheim, Sir D. Drummond Fraser, Mr. Irving Fisher, Mr E. W. Kemmerer, Mr. John E. Rovensky, and Lord D'Abernon. The tenour of the quotations is generally that Mr. Strong was a great stabiliser whose loss is irreparable. Mr. Irving Fisher remarks that he was the chief figure in "bringing into central banking, even if quietly, the idea of stabilisation through direct control." Sir D. Drummond Fraser says:—

> "His work since then in his interchangeable visits with Mr. Norman, Governor, Bank of England, is so well known, and so generally appreciated, that there is no need for me to more than mention it here. It is interesting to note that their activities have been largely responsible during the last five years for over thirty countries having linked their currencies to a gold basis."

Mr. Reynolds says that when America was exacting "heavy tolls of gold from Europe" Mr. Strong cooperated with European central banks with the view of "making the drain on their stock of gold as light as possible." The Editor of the *Bulletin* says:—

> "Probably his greatest contribution to the science of central banking was made as chairman of the Open Market Investments Committee, which, since the time of its reorganisation in 1923, applied the technique of adjusting the supply of credit to the needs of business. Previous to 1914 it had been the custom of central banks to allow the price level to be determined by the supply of and the demand for gold, maintaining a fairly fixed ratio between the gold reserve and the volume of credit in use. In view of the large imports of gold into this country from 1920 to 1924, we would have been in danger of a great credit inflation, if the former policies of central banks had been followed by the Federal Reserve System. Instead, the buying and selling of Government securities in the open market was regulated so that gold was drawn into the reserves of the Federal Reserve banks by selling securities, and held by the banks in place of interest-earning assets. The gold was thus deprived of its credit-making powers."

Governor Strong's acts are of interest chiefly because they dispel the old illusion that gold movements occur automatically as a result of economic activities. They clearly do not when he could go to Europe and make arrangements to "lighten the drain" on Europe's gold. What he did was to secure agreements with other central banks that they should each permit so much credit to circulate in its country and no more; whereupon they were permitted to receive or retain just that quantity of gold which bore the traditional ratio to the permitted credit. Considering that the Federal Reserve Board held a huge quantity of superfluous gold which they had "deprived of credit-making powers" there was nothing to stop their handing it out to their European banking colleagues, quite irrespective of fluctuation in trade balances. It is part of the game to show lumps of gold in the central-bank's windows; for two reasons: (1) that on being able to exhibit gold the banker bases his exclusive claim to create credit, and (2) that on being able to exhibit *only so much* gold he bases his plea that he may create *only so much* credit. Apart from these considerations, it is virtually the rule in every country to-day that nobody can get gold from the bank. Therefore the so-called "safety" ratio of credit to gold is indefinitely expansible. An ounce of gold might just as easily support a thousand times its intrinsic value in the form of financial credit as it does ten times. It is simply a matter of the world's bankers' decision to play fair with each other, and not blackleg. The real risk, under the present system, attaching to credit-expansion, is not connected with gold, it is connected with prices. As the above extract from the *Bulletin* makes clear, America's gold holdings in 1924 would have justified, on the traditional safety-ratio, perhaps twice the volume of credit that she had in circulation. But, says the *Bulletin*, "we would have been in danger of a great credit inflation." What it means is not credit inflation (there cannot be *credit* inflation if the gold backing is there); it means price-inflation. Price-inflation follows credit-expansion, even when the expansion is justified from a gold point of view. Expansion of credit means expansion of bank-loans, which means expansion of repayments. Since the repayments come back to the banks through prices there has to be an expansion of prices, unless the economic system can increase its output commensurately with the expounded credit, and do so while that credit is out. This it cannot do; for the banks collect repayments too soon. The new credits are accounted into the cost of future production, but are withdrawn in the price of present production.

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Field-Marshal Sir William Robertson, at a meeting held under the auspices of the League of Nations Union on December 5, made some remarks about America's imperialistic tendencies. The episode deserves notice because it has always been considered "bad form" for a speaker to indulge in recriminations at meetings of this kind. The get-together spirit demands that emphasis should be laid on what unites and not what divides the nations. But at the present time it is hopeless even for the most optimistic reformers to ignore the visible signs of tension around them. You can no more conceal realities under sentiment than you can coat red-hot iron with dove-grey paint. What Sir William has been saying is not new. Years ago Major Douglas, in one of his articles, said that the mantle of Germany had fallen on the United States; but at that time every publicist on both sides of the Atlantic was speaking of war as "unthinkable." It is not simply imperialism that renders America conspicuous, it is that machine-made system of preparing and administering an imperialist policy which, in the case of Germany, failed under the test of war conditions. The reason it failed was because the more elaborately you plan against foreseen contingencies the more certainly you impair your power of improvisation when the inevitable unforeseen contingency becomes a sudden actuality. You cannot train a whole nation for any length of time to carry out a centralised schedule of instructions without incidentally training every individual out of his natural gift of initiative. There are crises when the most impeccable plans succeed only by being disregarded. Yet you cannot work out a code of disobedience to orders, because directly you were able to do so it would be a code of obedience. You can only lay your general plans and trust to Providence to alter them on the day. And Providence always turns up in a single individual—like Nelson with his blind eye. John Bull's traditional so-called luck in "blundering through" is attributable to his intuitive recognition of this deep truth. In the Peninsular War the Spaniards' artillery harnesses were gorgeous affairs, but when something snapped the whole battery stopped. The Duke of Wellington's men used lengths of rope, and every time something snapped they tied a knot and rode on.

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Consider these reflections in connection with a despatch from Washington in the Newcastle *Evening Chronicle* of November 26:—

> "If war comes again hundreds of thousands of industrial plants in every State in America will start immediately when Congress rings the bell, each with contract already made out, knowing just what quantity of which article on a list of upwards of 700,000 essential war materials it must produce, with adequate plant, sufficient and proper machinery, and trained working force ready, with raw materials guaranteed, with power provided, and with transportation assured to get the war supplies where they are needed on time.
>
> "Allocations have definitely been made to 14,000 plants. The contracts have been placed with them, which are tentative and unsigned, but actually in their hands, to be signed and sent in to the centralised control in the War Department just the minute that Congress says 'War is declared.'
>
> "Advancing years will make it necessary to relieve the civilian chiefs and their staffs of specialised industrial aides in the procurement areas. So Congress has authorised the establishment of a 'Munitions Battalion.' Four hundred promising undergraduates, chosen by college authorities, are to be enlisted next summer at the close of their junior year in college. They will be stationed at Fort Washington for an extensive course in soldiering, and treated as soldiers in every sense of the word, for three months."

To this general specification of the "Spanish harness" is attached about a column of details of names and sections and schedules and specifications and procurement areas and surveys and so on to such a degree that one cannot see the horses for the reins. We are reminded of that majestic aeroplane push during the last war, costing we forget how many millions of dollars, by which the United States was going to stuff the European firmament with aircraft like a box of sardines. The eventual output was zero, or one.

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As a contrast to this the British Empire seems to be doing no organisation at all. The Prince of Wales, Sir Austen Chamberlain, and Mr. Amery have been on their world tours at different times, but they are all conspicuous for their advertising modesty, and for all the world knows they might have been travelling for their health. On December 12 an announcement in the *Evening Standard* stated that the Imperial Conference due to take place next year has been postponed. One reason given is that there will be a General Election in that year. One could argue that the possibility of a change of Government would be a reason for holding the Conference then. But further on the report says that "the links between the Home and Overseas Governments are complete and are working with success." We must assume, then, that Mr. Amery's concept, expressed last April, of a pan-Britannia organised to meet the competition of a pan-America on the one side and a pan-Europa on the other, is working out to his satisfaction.

If so, the disentangling of the Bank of England from alien policies would be a probable accompanying phenomenon; and, as we are seeing, such a movement seems to have definitely set in. The rope of our Empire resources is better than the leather of a cosmopolitan gold-standard; and we guess that John Bull will be found to have knotted them up into an independent credit-economy when the time comes to call bluffs.

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An article in the *Observer* of November 18 describes the possibilities of a new plant now being grown in the south of England, which yields a substitute for cotton. Between three and four million pounds of this artificial cotton are expected to be available in July at a fixed price of sixpence per pound, which is an immediate saving of fourpence per pound on what the cotton-spinners are now paying. It can be treated by the existing cotton machinery, and it will take dyes at one-third the present cost for dyeing material. It has a soft and lasting sheen, and a lustre which artificial silk manufacturers have been trying to obtain for many years.

> "This means of salvation for the cotton trade has an origin probably more romantic than any in industry. At Windsor House, in Victoria-street, where the English Artificial Cotton Production and Marketing Corporation have their offices, I was shown yesterday (writes a representative of the *Observer*), a bird's nest which gave the clue to the discovery.
>
> "'Eight year ago,' Mr. D. A. Walters, one of the directors of the Company, said, 'we discovered in British Guiana a bird busily engaged in building this nest. So much did the nest resemble cotton that we kept a close watch, and found that the bird was picking a certain plant, stripping it and treating it. We brought the seed and roots of the plant to this country, and have grown it on soil that is of little use for anything else, to a height of from five to seven feet. It has been brought, indeed, to such a high state of perfection here that not only is the yield greater, but the plant itself is in striking contrast with the original weed.'"

Lancashire and Yorkshire have agreed to take all the output, and expect to re-capture many of their lost markets. The facts alleged here are all the more credible, because the Corporation asked the *Observer's* representative to emphasise in his report that they are "in no need of capital of any description."

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The public are so hypnotised by the apparent omnipotence of Finance that it is useful for them to be reminded that the financial system depends on the loyalty of its "civil service" just as do political systems. It has been affirmed somewhere that revolutions occur when the civil service decides to change masters. That there is a good deal of truth in the statement was suggested by the trembling generosity with which the police force got a handsome rise in pay immediately after its abortive experiment in trade union methods a few years ago. The recent conferences held by the International Federation of Bank Officials' Associations are therefore of importance. They were held to consider the question of the present and future prospects of bank employees. The Association is a consultative body consisting of the Bank Officers' Guild, and corresponding bodies representing Scotland, Ireland, and South Africa. The circumstances which the Association had to consider have been summarised in a "Memorandum" addressed by the Bank Officers' Guild "to Members of the Bank Staffs of England and Wales." They are set out in three categories:—

A.—The Struggle for Deposits.
B.—Mechanisation of the Book-Keeping System.
C.—Nationalisation or some measure of Public Control.

Under "A." the Memorandum gives the following examples showing the severity of the competition:—

1. The Government in its National Savings Certificates —" absorbing millions from erstwhile Bank Depositors."

2. Building Societies.
3. Insurance Companies—" endowment policies taking an increasing share of savings."
4. Industrial Issues—" an ever-widening field of direct financing."
5. Municipalities—" borrowing directly from the public at rates much ahead of Bank interest."
6. Municipal Banks—probability of their extension.

These tendencies are expected to " affect the profits of the banks " even though not their deposits, which might even increase.

" The tendency would appear to be that the former direct deposits of numerous individuals will be collected into the accounts of large customers, who will be able to command more favourable terms, both as depositors and borrowers."

" Suppose," says the Memorandum, that " economic pressures " should compel the Directorates to face " drastic reduction of overhead expenses," (1) is a salary reduction the only channel of economies? and (2) " Are you to be consulted or dictated to in regard to your terms of living? "

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Under item " B." (Mechanisation) the Memorandum says:—

" It is not a tendency—it is here and now. What are its objects? The cutting of overhead charges . . . . a large part of Banking routine can be done by cheaper labour and by fewer staff.

" *We are already faced with surplus staff.* . . . .

" Machines economise in production—*it is your interest to see that this does not cut your consuming power.*" (The italics are in the Memorandum.)

Under item " C." Nationalisation is foreshadowed, and may mean the " relegation of the vast majority of Banking labour to a lower Civil Service grade."

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The Memorandum summons bank staffs to join the Guild. The Guild must have " power and money to pursue a defensive campaign . . . . in the Boardroom and in Parliament, and maybe in the public mind and conscience." We have not space for extended comment, but we must point out that banking Directorates are not driven by " economic pressures " towards salary reductions; or, if they are, they have the power to regulate and direct those pressures by their control of credit policy, so that the " pressures " are, so to speak, self-inflicted. There is another reason for pay-cuts in banks: it is an advertising reason. The disposition of the public nowadays to contrast the prosperity of the banks with the penury of their customers is now so marked that if the banks, in addition to multiplying their corner-site premises all over the country, were to apply a generous salary-scale to their ever-increasing staffs they would be presenting new arguments to their detractors and would stimulate every movement which agitated for " control " of the banks. The low salary-lists which the Guild fears are really the Directorates' defence measure against Nationalisation, which the Guild also fears! We think the Guild ought to deal with bank-branch expansion. Merely as a question of tactics, it seems short-sighted to complain of outsiders competing to divide up the public's savings with the banking system, when the banking system itself is deliberately promoting an internal five-power scramble for deposits at an expense in buildings and personnel which is utterly incomprehensible to the " public mind and conscience."

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Take the semi-rural suburb of Barnes. It contains, say, half a mile of mediocre shops along the main road. Barclays and the Midland have shared the inconsiderable deposits of Barnes for some years. Within the last twelve months the Midland has been rebuilt and enlarged. Within the last six months the Westminster has erected a branch fifty paces from the Midland. At this moment a Lloyds branch is being erected ten paces from the Midland. The three last-named branches are virtually as close together as a pawnbroker's three balls. Their managers could conduct *viva voce* negotiations with each other out of their respective windows without overmuch shouting. What is it all for? Where is the business for the newcomers to do? Further, to make room for them, two useful businesses have been closed down—a garage, and a little restaurant. Traders' accounts have been reduced by two, and there are now double the number of banks to handle the remainder. We are travelling towards a situation where we shall have one man one bank, which would mean one bank staff quartered on every householder. The householder would then decide to give up the game of depositing for that of receiving deposits, and the whole community would live happily ever afterwards posting each other's pass books. We think that whatever else the Bank Officers' Guild may do, it should take care to get itself right with the public. The most certain way to do that would be for it to promote the investigation of the Social Credit analysis, or at the very least to support an inquiry into the relation between centralised credit-power and economic prosperity. The Guildsmen serve a master who can not only pay them generously, but can expand the incomes of all the depositors to whom they render service.

The M.M. Club will not meet on the first Wednesday in January, but on the second, namely January 9th, from 5 o'clock onwards as usual. Discussion at 6.15.

Twelve o'Clock.

" Shakespeare strikes twelve every time."—Emerson.

" *Shakespeare strikes twelve every time.*"—*Emerson.*

EXTRACTS FROM " THE NEW AGE."

(Edited by Sagittarius.)

" The *root* cause of naval problems is not the desire for freedom to move goods about the world in war-time, but the inability to get orders for goods in peace-time."—*Notes of the Week.*

* * *

" It was in the eighteenth century that the change ought to have begun which has been celebrated by Galsworthy, O'Casey, O'Neill, and a few others, and which decrees that tragedy shall portray the misfortunes of the lowly, as against comedy ridiculing the weakness, pretension, and corruption of the high."—*Drama.* Paul Banks.

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" Artists should really by common consent be exempted from patriotic attitude-striking."—*Music.* Kaikhosru Sorabji.

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" A young journalist was warned by a big Press magnate to have nothing to do with the Douglas Proposals, as he would 'spoil his career' if he got mixed up with them. We infer from these facts that the authorities concerned have not discovered a flaw in the Douglas Analysis."—Editorial footnote to letter.

* * *

" The industrial system has one creditor—the banking system; and one customer—the consumer. These three; and the greatest of them is the consumer. He is a living creature with human needs: the other two are mechanisms. Whether it be a machine-mechanism, or an accounting-mechanism, he is properly the master and they the servants."—*Notes of the Week.*

* * *

" If the highbrows who recently made it the highbrow thing to applaud Maria Marten do not rise to this play, which is incomparably better as ideas, psychology, and as drama, they will betray that their rising to Maria was only a species of sighing for the old folks at home."—*Drama.*

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" It is clearly an economic absurdity to have unemployed men, unemployed plant, unemployed capital, and unfilled wants, all apparently waiting for the momentum which shall bring them together, but the gap between production and consumption capacity is always opening under our present system, and into it falls an appalling amount of human waste."—*Easy Payments.* Gladys Boone, M.A.

An Outline of Social Credit.

By H. M. M.

VIII.

If the diagnosis has been followed and understood, the remedy can easily be guessed. Either incomes must be increased without increasing prices, or prices must be reduced without reducing incomes, or the two operations may be combined.

If more money be put into circulation in the ordinary way, prices, being uncontrolled, will certainly rise, and the problem will be as far from solution as ever; so it can be laid down as a first essential that selling prices must be regulated; but they must be regulated on some scientific principle. What is that principle? This brings us to the problem of the Just Price; but, before discussing it, it is desirable to remove a prejudice which is sure to arise in people's minds—particularly if they make their living by selling something; and who does not?—when regulation of prices is mentioned. Payment of the producers' costs and recovery of the amount in prices from consumers are two things which can be entirely dissociated from each other; and in all that is here said about regulation of prices it must be understood that the regulation is to take place *after* the seller's costs and profit have been paid. It would not affect his pocket in any way except for the better, by making sure that the public have the money to buy his goods, and so making it easier for him to do business. It would not even be necessary to fix a rate of profit, although, in time, a standard rate would probably crystallise out; for, as competition would go on as before, between man and man, profits —and, incidentally, wages and salaries—would be kept within reasonable bounds.

The Just Price is the pivot of a sound economic system, balancing the outward and inward flow of credit with the production and consumption of goods; and it cannot be determined by the higgling of the market, the present method of determining prices. It is a matter for scientific calculation, based on recorded statistics; but quite a simple calculation for all that.

What is the Just Price? Civilisations have gone down through failing to find the true answer to that question. The late war was caused by the same failure; and the peace which has succeeded it—a peace of exhaustion only—is merely a breathing space before a more deadly war, unless the true answer be found and acted upon; for modern wars arise because the present financial system cannot distribute the wealth the world is so skilful at producing; and the Just Price is the solution of that difficulty.

The Just Price is not the amount of money an article will fetch, neither is it the net cost price, as cost price is at present reckoned. If money did not exist it would be easy to see that the *real* cost of producing anything is the amount of energy, human and mechanical (or solar, as Douglas expresses it), expended or used up in the process; and this is measured by the quantity of goods and materials consumed in producing it. In short, *the cost of production is consumption;* so, if the money cost of the community's production and consumption is known, the Just Selling Price of any article is easily found. It is the same fraction of its cost price as the nation's total consumption is of its total production, reckoned in terms of their cost price.

In other words—Cost Price should be to Selling Price as the Total National Production is to the Total National Consumption.

(Cost Price, as here used, includes the seller's profit: Total National Consumption includes all depreciation or decreases of capital; and Total National Production includes all appreciation or increases of it.)

It may sound complicated: it is really simple.

As the sum of the nation's capital assets and of goods produced or in course of production, in a particular period (the denominator of the price factor), is always greater than the sum of all goods sold for final use or consumption in the same period (the numerator), and increases with every new discovery and invention, the Just Selling Price should be always, and increasingly, less than cost price.

That is to say, if it were found in any period that the cost price of all goods produced, including the money value of all the nation's plant and machinery, raw materials, etc., amounted to four times the cost price of all goods actually sold to final consumers in the same period, the Just Selling Price of any article for that period would be a quarter of its cost price. Thus, if a suit of clothes, or a dress, cost £8 to produce, it would be sold to the consumer for £2. If a house cost £1,000 to build, it would be sold for £250 to the man who bought it to live in; and so on.

The meaning of that is that £3 in every £4 of the retail sales for that period represents costs which have been passed on and re-embodied in the cost of other goods to be sold in the future; and if the amount is not restored to the purchasers by the banks injustice will be done, and there will be a shortage of money, and future sales must decline.

For it must be remembered that the money that liquidates costs is itself a cost somewhere; but, as things are, it is extinguished in the act of liquidation, and is not therefore available in the future to meet the body of costs it has helped to create.

It is an error to think of production and consumption as two entirely different things; and while they are so regarded a clear view of the price problem cannot be obtained. Strictly speaking, there is no such thing as production and consumption: so far as we know, the amount of matter in existence remains constant. What we designate by these names are merely certain changes that we bring about in the previously existing states of matter. The " production " of a ship, for instance, implies the " consumption " of steel and iron, wood, and other substances. It also, in respect of the wages and salaries paid to the people who helped to build it, involves the destruction—or consumption, or depreciation—of considerable amounts of food, clothing, comforts and luxuries. But if the cost of the goods consumed—the metal and wood, bread and butter, shirts and socks, etc.—appears in the final price of the ship, as it does, and if the money spent on these things is extinguished in being spent, as we know it is, where is the money to buy the ship to come from? And why should the public, in paying for the ship—by way of freights and fares—be charged up with the cost of goods they themselves have paid for and consumed?

The result of regulating prices in the way proposed would be that the community would always have sufficient money in its pockets and bank accounts, not only to buy all it actually produced, but to keep on offering inducements to producers to continue producing as long as any economic want remained unsatisfied. The price formula reduces prices to the level at which the community's unsold goods and capital assets would balance the money it had to spend, thus ensuring that there would be no

artificial barrier to the effective distribution of goods. Thus, along with their production, the market for them would be built up.

It is necessary to sell under cost, not only to do justice to the consumer, but also to enable producers to get their goods sold readily, and keep the industrial machine running smoothly.

It is only necessary to adjust retail or final prices, since all intermediate costs, however incurred, are passed on and included in retail prices.

The price-regulating formula is the idea of a genius; and the day of its adoption will be a red-letter day in the history of the world. By its use, if production gained on consumption—as it normally does if all financial hindrances are removed—the resulting fall in prices to consumers would be at one and the same time an intimation to the producer that he might slacken his efforts and take a holiday, an invitation to the consumer to consume more, and the equivalent of a gift of money enabling him to do so.

If, on the other hand, consumption gained on production, it would manifest itself to all by a rise in prices to consumers. This would automatically slow down demand for the time being, but only for the time being; for it would also inform the producer that fresh productive effort was called for, and, being himself a consumer, the loss of money caused by the rise in prices would stimulate him to make it and so earn more.

Many people find it difficult to grasp the idea that underlies this proposal to sell under cost. It seems preposterous to them; but only because they take the present costing system on trust without troubling to understand what it means.

It may appear clearer to them if they bear in mind the fact that, normally, the nation's power to produce is very much greater than its power to consume. Even during the war, when consumption and destruction together reached a higher level than they ever did before, or have since, production, except in the early days, before the productive machine got thoroughly going, was so easily able to cope with all needs that it was years after the Armistice before the surplus production was all absorbed, if, indeed, it is all absorbed now.

For instance, a house may be built in a year or less and last for fifty or a hundred years. A suit of clothes, or a pair of boots, made in a few days, or a few hours—or even minutes, under mass-production methods—will last for months, or it may be years, and so on. That means that we produce Real Credit—or wealth, if you like—at a faster rate than we consume or destroy it; and as our Financial Credit, or money, ought to be an exact reflection of our Real Credit, it is clear that money ought to be distributed, via costs, as income to the community, during the course of production, at a faster rate than it should be taken back again, via prices, during the course of consumption, if the financial book-keeping is to give a true record of our production and consumption of Real Credit.

The difference that exists at present between the aggregate of prices and the aggregate of incomes (or consumer purchasing power) represents a large reserve of Real Credit, or power to produce wealth, upon which the community is debarred from drawing, owing to the faults of the financial system, but upon which it could draw immediately if the necessary price-regulating arrangements were made and the necessary financial tokens (money) were distributed to the individuals composing it.

Selling under cost in the way described would not deprive anyone of a farthing of his income. The adjustment in prices corrects a flaw in the financial book-keeping which keeps prices above incomes and so hinders the distribution of goods. There is no question of penalising anybody or making him poor: that is quite unnecessary. The whole object is to make everybody rich, not a few only.

Views and Reviews.

THIS INSUBSTANTIAL PAGEANT.

When Sir Ray Lankester (I believe it was) deprecated the biology of Samuel Butler on the ground that Samuel Butler was a literary man, the latter replied that he sometimes wished his opponents were literary men. Dr. Eddington would probably not call himself a literary man. His book* on the contact between modern physics and the old philosophical controversies is nevertheless the work of a literary man as well as a physicist. For the person with no knowledge whatever of science it may be impossible reading, as Shakespeare is to the person with no ear for music, but for those with enough of the rudiments for a basis of understanding it is a clearly written work filled with analogies which sometimes rise almost to poetry. As the reading of the book goes forward one realises with a very pleasant thrill that Professor Eddington is not only a physicist and a literary man, but a thinker, three things individually rare, and three times rarer in combination. The work has one fault only as the presentation of modern physics to the educated layman. This is a fault which it shares with nearly all scientific works, which do not give the reader, whose own laboratory experience has not familiarised him with the methods of modern experiment, sufficiently detailed description of the instruments used, the results obtained, and the process of drawing the inferences from the results. On this count the book is far better than the run of such books, as there are frequent hints dropped which help the student along. It is a good book, however, from which one wants to delete nothing, and to which one would have more added.

* * *

The advance in knowledge made by physicists during the last two decades, from Rutherford to Schrödinger, compels an entire review of man's attitude to the universe. Perhaps the most encouraging feature of the establishment of the relativity theory, and the promulgation of the various forms of the Quantum theory, is that they have compelled scientists to become thinkers, and all those who follow in the wake of science, picking up its philosophical implications, to melt their views down again. By the end of the nineteenth century the universe's method of moving things about had been pegged down to a fairly definite scheme. The whole thing was a mechanism whose inventor was nowhere to be found, and which could well run itself without his attention. Having become a mechanism the universe had become familiar, and, as every woman knows, where there is familiarity there is no pleasure. The problability for finding out God by searching, has not, of course, increased. But there is no longer an apparently rigid determination of the universe in such a way as to imply that a proper knowledge of cause and effect would enable the scientist, from the writing of the first morning of creation, to read the last dawn of reckoning. Fatal finality has once more become creative possibility. At the same time as the theory of relativity, dealing with immensities, has cooped us in a finite universe, the theory of the quantum, dealing with less than microscopical things, has reopened all the infinite philosophical questions. The universe can no longer be a mechanism for which a model is practicable or even conceivable, since the atom is no longer a mechanism. Certain mathematical conditions of atomic behaviour are known, but what goes on inside the atom has to be left to imagination and intuition.

* * *

Each of the modern discoveries which has shaken the universe as well as the world widens the realm

* "The Nature of the Physical World." By A. S. Eddington, D.Sc., F.R.S. (Cambridge University Press. 12s. 6d.)

of the unknown and the field of dispute, a tendency entirely contrary to the nineteenth century's theory of discovery. Professor Eddington quotes, in illustration of his case for the individual's right to accept whatever geometrical frame of space is most useful, the following from Bertrand Russell's *Analysis of Matter*:—

> "Whereas Eddington seems to regard it as necessary to adopt Einstein's variable space, Whitehead regards it as necessary to reject it. For my part I do not see why we should agree with either view; the matter seems to be one of convenience in the interpretation of formulae."

Thus modern physics, although the law of entropy seems to have disposed of the eternal recurrence, has celebrated the triumph of Nietzsche's philosophical criticism of all views of the universe as "human—all too human." The universe is filled with unconsidered trifles, unconsidered, that is, by all except the exact measurer in the frame which they affect; and he chooses his frame to the requirements of his job. The unconsidered trifles of one branch are the object of measurement and observation in another, though they cannot be exactly measured all together. As Professor Eddington explains, exact measurement of position invariably leads to error in measuring velocity, and *vice versa*. In the absorption or release of energy by atoms there is observed to be a minimum quantity of energy required for any response to be made. This is the quantum, which is calculated in erg-seconds, the fraction being represented by a decimal and twenty-six noughts followed by 655. Where energy is accumulating but is not yet sufficient to produce a reaction, the question arises as to whether it is saved up until there is the right quantity for all the atoms in a condition of readiness to use it, or whether it is pooled so that at least one atom may re-act. These two theories Professor Eddington calls, respectively, the "collection box" and the "sweepstake theory." The latter term is used to signify that the million, say, atoms present and in a condition to respond, have each a one to a million chance of "winning" the available quantum. The "causality" of classical physics has thus given way to the *causation* of secondary physics; which is to say that mechanical certainty has been displaced by calculable probability.

* * *

In place of the elastic tennis balls which constituted the mechanical and material atoms, then, there is an atom complex and insubstantial, immaterial and non-mechanical, both calculable and incalculable.

> "Human life is proverbially uncertain; few things are more certain than the solvency of a life insurance company. The average law is so trustworthy that it may be considered pre-destined that half the children now born will survive the age of *x* years. But that does not tell whether the span of life of young A. McB. is already written in the book of fate, or whether there is still time to alter it by teaching him not to run in front of motor-buses. The eclipse of 1999 is as safe as the balance of a life-insurance company; the next quantum jump of an atom is as uncertain as your life and mine."

Thus the molecule, the earth itself, and the constellations, depend on something very analogous to social life for their stability and protection against the risk of destruction:—

> "the quantum physicist does not fill the atom with gadgets for directing its future behaviour, as the classical physicist would have done; he fills it with gadgets determining the *odds* on its future behaviour. He studies the art of the bookmaker, not of the trainer."

Dr. Eddington's chapters on the philosophical implications of the new universe, like Dr. Whitehead's plea for poetry in *Science and the Modern World*, is a fine piece of thought which restores consciousness to its rightful place as the one valuer, and the nearest to an absolute in the flux of changing and trembling law. Almost needless to say, the tentative conclusions Dr. Eddington reaches—and he is fully aware of himself as his amusing distinction between "reality" and "reality (loud cheers)" indicates—are the same as those attained by all the intuitive searchers of all time. However little of metaphysics or philosophy in detail they establish, they certainly confirm the primacy of mind. "The Nature of the Physical World" may not be a book to read aloud at the party on Christmas Eve; but it is a book to read.

R. M.

Drama.

Five One-Act Plays: Arts.

The five one-act plays lately presented at the St. John's Wood Garden Theatre have been brought to town for three performances, to give a chance of seeing them to a bigger public. Probably the majority of the audiences at the Arts Theatre were the same people as those who saw the plays at Miss Barbara Horder's theatre. Under present conditions a work of culture succeeds only when the same people—who can very rarely afford—go to see it again and again. It is ridiculous to blame the London theatre managers for timidity in putting on only plays which have succeeded somewhere, New York, Paris, or Timbuctoo too. The best works of the last few years have made practically no profit for their promoters, producers, actors, or authors. While a number of good plays have had deserved successes the best have failed with the worst. When I looked round at the empty seats in the Arts Theatre before as exquisite a bill of fare as fine taste could dream about, I found it impossible to believe that London contains five or six, or whatever it is, million people, a large proportion of whom have enjoyed the best education, at their father's and their country's expense, possible to provide.

The bill of fare was not the dull thing that certain highbrows might froth about insincerely to distinguish themselves from the people; it was a perfect proportion of comedy, tragedy, farce, and poetry, as nearly perfectly done as need be required this side Jordan. "No One Can Think of Everything," a "proverb" by Alfred de Musset, translated and produced by Geoffrey Dunlop, opened the performance. De Musset's work is hardly known to English people, less known than a score or more of English authors to French people. Both his work and person earned him the warmest and highest praise from later French critics, and in his own time, from Heine. If this is the first translation of the work, France has had a full reason to distrust our protestations of friendship as being purely—or impurely—a matter of business. The absent-minded Marquis, whose brain would contain only one thing at once, and that never the thing of the moment, and the nearly as absent-minded Countess, are delightfully human; and if they help us to understand why the aristocrats had their heads chopped off, they help us also to regret it. The piece is a perfect miniature, doubly worth producing at the present moment as an illustration that what the moderns call theatre could be done better by authors even more interested in human beings than in "theatre."

"The Vice," by Pirandello, followed, this also produced by Mr. Dunlop. It is not nearly so good a theatre-piece as the first play. It deals with a situation less common but more conventional. Instead of the husband playing with his wife and her lover like cat with mice, one hoped that he would be ignorant of their affair, and that their misery would be self-torture based on misinterpretation of his innocence. In spite of the conventionality of the situation, however, the play is cleverly worked out,

and it was good to see the realistic satire, upon plays with similar situations, contained between the lines. Mr. Dunlop's production of the first play also pleased me more than that of the second, which insisted on running to melodrama. One thing about the production of both plays amused without displeasing. In each the maid had a speech and bearing appropriate to the mistress, which is far more encouraging to the audience than mistresses whose speech and bearing would be appropriate to their servants.

The third item, "Ag and Bert," written by Michael Hogan and Mabel Constanduros, was a London duologue performed by Barbara Horder and Michael Hogan. It was almost a shock to hear an actor with so Irish a name, and an actress whose English speech was so pure as to make one content to listen till midnight, display such command over the accent of the Old Kent Road. Phillip Moeller's skit on Helen of Troy, "Helena's Husband" is not, of course, original in idea. It is merely a new application of the comic history conceit, but again it was enjoyable and well done. Moreover, for the finish, where Analytikos stirs up the people to fetch back the doll who had made the domestic life of Menelaus unspeakably miserable, it was well worth doing. Finally, Mr. Chesterton's fragment of the "Nineties," "The Tragic Women," with Barbara Horder as the Second Mrs. Tanqueray; thus ended a perfect menu, after which one could go to bed feeling that all due homages had been paid, and that culture was not in such a bad way, after all, so far as its production goes; and regretting only that so few people had taken the opportunity of sharing the good things provided.

Mr. Pickwick: Haymarket.

It is no part of my duty here to fix the status of Dickens in either the art-world or the world of morals. The fact would still be that as many people have read the "Pickwick Papers" as have read any other book extant, and that more people have enjoyed it. Nearly every grown-up person read the book long ago, and many will never have time to read it again. It belongs to the leisure-state. Mr. Pickwick, Messrs. Winkle, Snodgrass, and Tupman, with their notebooks and pencils, putting down what the cabman said, can hardly be imagined in the motoring age. If you dislike Dickens on principle, and dare not even sneak a look into his work in a moment of weakness, that will settle your attitude to this dramatisation of "Characters and Scenes in 'The Pickwick Papers'"; but if you belong to the multitude which enjoyed Dickens with a good conscience, and would be prepared to enjoy him again, but for the pressure of affairs, go to see as well-produced, stage-managed and performed a Christmas piece as has ever been presented. It is, incidentally, impossible to see this dramatisation without some revision of one's judgment of Dickens. One does not pretend, of course, that his characters were other than types. But one recognises how near they were to archetypes. All of them are caricature, but without malice. Dickens might be indignant about abuses, about things, to the degree of getting them altered, but he was very forgiving towards people. And though his figures be both types and caricatures, they are human and alive, and they enable one to enjoy the company and practices of persons one could not stand in real life.

Further, any line caricaturist who got so much in so little space would be praised very highly for his economy and technique. This dramatisation is full of incident, not too full, but going all the time. Yet it makes one feel that several theatres could be filled at the same time with dramatisations of different sections, so great is the wealth of incident unused. Would that some modern authors filled the interval between the covers of their books with as much of interest. The production contains eight scenes in six settings by Mr. Hammond, settings which evoked applause on their own account. Mr. Pickwick appears at the White Hart, in a compromising situation at Goswell Street, in a dangerous one at Dingley Dell, in the Court of Common Pleas, the Fleet Prison, and at the Wedding Breakfast where the club is disbanded. A cast of fifty to sixty persons keeps up the fun, pathos, and sentiment, the last very temperately, every minute of the time; and each scene ends just before one would have had enough of it.

The part of Pickwick, by *Mr. Charles Laughton*, is acting under unusual conditions for a star. For much of the time Mr. Pickwick has merely to shed his benevolent presence rather than to talk. He has to be seen but not much heard. The atmosphere of gentle dignity created by the actor put the character across, in the American phrase, to everybody's satisfaction, so that when the disbanding speech was delivered, the audience listened with love for the character. *Mr. Harold Scott's* Nathaniel Winkle also became excellent as it developed, though at first Mr. Winkle seemed to have more sense than I had in my recollection given him. Everybody has, of course, a different idea of the characters of Dickens, difference extending even to like and dislike of the same figure. The many good performances include *Miss Susan Richmond's* Rachel Wardle, *Miss Mary Clare's* Mrs. Bardell, *Eliot Makeham's* Sam Weller, and *Mr. George Curzon's* very fine Alfred Jingle. The performance of the evening, among characters that stimulate actors, was *Mr. Bruce Winston's* Sergeant Buzfuz. The actor took the part with blood and fire, and gave a display in one short scene which combined intelligent thought, hard work, and lustiness. Not to hear the speech of Buzfuz is to miss one of the good things of the year. Although the play is obviously intended to cover the Christmas period there seems no reason why it should not run for a prosperous period afterwards.

PAUL BANKS.

The Screen Play.

"Underground."

Mr. Anthony Asquith, to vary the significance of an old phrase, is at the moment in an interesting condition. While I would not go so far as to call him the White Hope of British film directors, he is decidedly among the few who show promise. The Boy, what will he become? For Asquith has as yet shown no sign of the individual genius of a Lang, a Leni, a Poirier, a Fejos. And he has been absurdly over-praised, as in connection with "Shooting Stars," that banality which led the Snob Press to talk as though its director had invented the kinema.

In "Underground" (Marble Arch Pavilion) Asquith exhibits more than promise. This is not a great film, but it is a good one, and is notable for what is perhaps its director's most valuable characteristic, the gift of viewing commonplace facts and events from an angle sufficiently out of the ordinary to lend them a new interest, and the capacity to make the spectator feel that interest. He has thus one of the root essentials of the film, a subjective mind, able to project itself on the screen. "Underground" also has excellent continuity, is economical in subtitles, and is uncommonly well cast as to its minor rôles, notably a barmaid, and a small boy who appears for only a few minutes. Credit for this feature should be given Asquith in generous measure, since bad casting has probably wrecked more films than any other factor. The story is thin and hinges excessively on coincidence, a characteristic of the screen play which one looks to such directors as Asquith to eliminate from their work. "Underground" is obviously the brain-child of a man who not only knows exactly what he wants to do, but also knows how to do it. Whether the competent craftsman will blossom into the artist is a question of some importance to the British film.

"Shiraz."

This somewhat daring experiment of setting an all-Indian cast, composed mainly, so far as I can judge, of amateurs in the best sense, to produce a screen play that will hold the interest of a critical Western—and West End—audience has been amazingly successful. The film, which I saw at the Empire, has no studio settings or artificial lighting, and these refreshing omissions give a degree of reality absent from most of the machine-made output of the British and American Hollywoods. It has a dignity and spaciousness which lends it a charm of so unusual a nature that it is difficult to define it in the orthodox vocabulary of the screen. "Shiraz" is a notable landmark.

DAVID OCKHAM.

Painting and Drawing.

By Leopold Spero.

Some day a better and more patient critic than I will have the industry to investigate the curious condition of art affairs in this country, and explain how it comes about that a nation utterly and completely indifferent to pictorial and plastic art should nevertheless contain, in certain branches at least, such as etching and engraving, a far higher proportion of executants of outstanding brilliance than most other countries. He will also have to explain the existence of a phenomenon found only in England, namely the artist or craftsman who has no brains or imagination beyond his particular work. There are numbers of utterly suburban and unintelligent men and women in England who produce, from time to time, pictures full of delicacy and poetry. Yet, if you sound them, they do not know what poetry is, and they are about as delicate as a cod fish. They must be artists, or they could not produce artistic work. But they cannot be artists, or it would be possible to find in them some traces of soul. Nevertheless, the fact is that there is far more creative work with pen and pencil and chisel going on in Great Britain than her critics realise. They only see the flat, immense mass of flabby indifferents, or judge by the uninspiring specimens of humanity who are introduced to them as artists.

The active, appreciative public in England, on the other hand, does exist, and most earnestly encourages and subsidises art in its own peculiar, rather high-pitched fashion. The men and women in England who cannot paint pictures themselves, but buy them, often really look like artists, and have the soul which seems to be lacking in those whose work they buy. Considering how small their proportion is compared with the vast army of indifferentists, they spend lavishly, according to their means, Grosvenor Square in thousands, and Golders Green in tens. And the harder times are, the more determined they seem to be about their generous and intelligent task. That is why, though if you asked the man in the street to name a single picture gallery the most he could do would be to point vaguely in the direction of Trafalgar Square, there is always a steady stream of development moving in the art life of London.

And indeed, foreign artists must have some regard for the value of a London *cachet*, though they make such fun of our pretensions in that quarter. Why else should M. Léonard Sarluis come to the Grafton Galleries with his 300 Bible studies in grey-brown oil, the work of a lifetime of mystic hermitage? M. Sarluis is a very picturesque old gentleman, with a fine, white head of hair, and a fine flowing cape and wide sombrero. The pictures are the work of an earnest seeker who has been unable to express with the brush the splendour of all the inward light he has seen. As a decorative scheme, his pictures are excellent, if you have space enough to spread them. Taken individually, they leave no impression on the mind, certainly no such impression as the artist hoped to create. They do not share in the grand vision of Blake or the dark majesty of Doré. We are, however, quite sure, from what M. Sarluis tells us, that he has seen the vision of these others. But he lacks their genius, if not their devotion.

At the Leicester Galleries, Max is the latest draw. And he *can* draw. Reproductions of his wonderful slices of life never do him justice. It is only by contemplating the pictures themselves that you feel the influence of that naughty wit. And even so, while I was looking at the sketch of Pinero with his famous eyebrows tied up behind his head with blue ribbon, Augustine Birrell, after earnest contemplation for some minutes, remarked audibly that he did not see the point. But those "Ghosts" are very delightful. Even the captions are Max and no one else.

In a neighbouring room of the Galleries, Paul Mak, a craftsman in the Russo-Persian style, shows thirty-two pieces, sometimes masterly in drawing, sometimes masterly in colour, seldom masterly in both. Sargent would have liked his "Two Generations" (18), a family tintype of Teheran in 1927, and we love his "Fleeting Time" (23), though it gives us the impression of an imitative Orientalism. His "Invasion of Tamerlane" (25) creamy and bubbling with movement, is very fine, but the picture next to it, "Annunciation" (24), is a freak. Not even in Persia do ladies grow that length.

Of the paintings and water-colours by H. Vergé-Sarrat a great deal could be written. The man has outstanding gifts as a colourist. His "Gardens of Biskra" (75), is brisk and bright and full of deep artistic feeling, and his "L'Etang" (77), is fresh and lively, though spoiled by an inexplicably drab and grey sky. Vergé-Sarrat gets strong tone into his colours, especially the green and orange, and if he would only be more reasonable above the sky-line, we should have very little to find wrong with him. Here is a painter English people should study. They need a little of his gyp and verve to buck up their ideas.

At the French Gallery the 131st exhibition of Modern Art, which has been open some time, includes only fifty-three pictures displayed in a large room. But they are good; and it is far better to give ample space to a few good ones than to crowd a lot of rubbish together after the manner of the R.B.A., the Portrait Painters, the Miniaturist, and the ineffable Academy. The most striking works here are those of E. Boudin, half-a-dozen pieces clamorous with charm and versatility. A sketch by Forain of ballet girls dressing (6) is perhaps the best thing in the show. T. B. Manson's painting of "Antibes" (31) miscalled "Martigues" in the catalogue, is lively and fetching, and we could be unrestrained in our praise of L. Charlot's "Petite Baigneuse" (29), if he had bothered to draw her right hand correctly. We do not think much of Meninsky's "Boy in a Pink Shirt" (13), but we think a great deal of his restful "Nude" (38), and are irritated to find that a man who can do such admirable work should be so very content with slapdash second-best. H. Dumont has a study of white hortensias (56) which is very happy, and we like G. Loiseau's "La Cathédrale, Auxerre" (16). But as we have already said, we like the whole show. It includes a few undistinguished banalities, but not many.

Reviews.

The Dreadful Dragon of Hay Hill. By Max Beerbohm. (Heinemann. 7s. 6d.)

A dragon arrived one day at Hay Hill, Mayfair, London, W.1, and took lodging in a cave, having first eaten the widow and four children who lived there. It was in the year B.C.39000, and Mayfair was not as yet a name. No barracks for the rich towered in Park-lane, as now they do, facing Hyde Park with a thousand identical windows. No barracks for the poor, as ugly if not so huge, cluttered the tree-covered ground which is now Soho. The three hundred Hay Hillians who were then the owners of this pleasant piece of earth did not live in houses. One or two of them, not finding a cave to their liking, had built huts; the green hill had else no trace of human habitation. But if no gentleman who lives to-day in Berkeley-square or Curzon-street would recognise the place as it looked when the dragon came, yet, as Mr. Beerbohm has to admit, the Hay Hillians would recognise the gentleman as a human being not unlike themselves. Except in his dress, which would show him only to be a stranger from some far-off land, they would accept him as an animal of the same species. "I hate having to tell you," the historian remarks, "that the persons in this narrative had well-shaped heads, and that if their jaws were more prominent, their teeth sharper, their backs less upright, their arms longer and hairier, and their feet suppler than our own, the difference in each case was so faint as to be almost negligible." The fact that these Hay Hillians did no violence to each other, but lacked kindness, and spoke evil about each other; the fact that husbands bickered with wives, and no family seemed to approve of its neighbours; these and other characteristics noted by Mr. Beerbohm fail, as he says, to stress the difference between the Hay Hillians and those who take their place in A.D. 1928.

The dragon, although the Hay Hillians did not think so, was a blessing in disguise. For now they lived in fear, day and night. Sometimes the dragon would be appeased by the heap of food they left each day before its cave, and having clashed its jaws over the mighty meal, would retire again within; at other times it would disdain the proffered banquet of dead meat in favour of chasing and catching a live Hay Hillian. Therefore the common danger drew them together; they no longer spoke evil of each other, and husband and wife ceased to bicker. They grew nimbler witted, and even healthier, for they had to eat less instead of more than they needed, owing to the dragon's huge appetite.

Thol, the hero of the tale, is a boy when the dragon comes to Hay Hill. He swears (to himself) that one day he will kill it. His good reason is that Thia, a young lady one year his elder, has called him a coward. Either the girl must one day eat her words, he decides, or the dragon shall eat him. At eighteen he slays the beast, marries Thia, but does not live quite happily ever after. In the sloth of peace the Hay Hillians return to their bad habits, and Thol, worshipped as a god, grows fat and somewhat over-conscious of himself as a dragon-killer. At least, so thinks Thia, who at last runs away from him, and will not return. Thol, hurt rather than angry, begins to meditate on Thia's criticism of himself and the rest of the community. Being honest, if slow-minded, he comes at last to see that his wife is right, and that he and his worshippers have degenerated.

So Thol decides to bring the dragon back. One day the baleful smoke of a dragon's breath is seen to issue from the cave where the first monster had taken lodging, once more the horrid sound of clashing jaws frights the Hay Hillians from their propriety. The smoke rises from a fire of damp wood made by Thol, and the clash of jaws comes from two stones which he bangs together. But the Hay Hillians, deceived, bring each day as of yore a meal for the dragon, and each night Thol carries the meal to the marshes, which are now Victoria, and buries it. Thus Thol dedicates his life to being a dragon, for the good of his fellow men, bringing back to them the virtues which thrived when danger threatened them in earnest. Thia, alone, finds out the truth, and finding it, recovers her love for him, and returns to him, and helps him in his task. But she dies, and soon after Thol also dies. The smoke of the dragon's breath no longer blackens the sky, and the Hay Hillians discover the trick which has been played on them.

They bury Thol without honour, and it is not long before they return to those vices from which he had saved them; they ate too much, lived idly, and had no kindness for each other. Nevertheless, says the historian, this is not an unhappy ending. For it is Thia and Thol we care about; and although we may wish that the good they did could have lasted, "it is not in the nature of things that anything—except the nature of things—should last." The reward of such people is in the doing of it, and they are lucky who do not live to see the good they have done, undone. Therefore, Mr. Beerbohm rightly concludes that Thia and Thol died happily.

The author tells his story briefly, in just over a hundred pages. The result is a miniature of the first excellence.

JOHN SHAND.

The Unspoiled. By M. E. F. Parker. (Fowler Wright. 7s. 6d.)

There is something of genius in the conception of this novel, for its theme is that of Henley's unconquerable soul —with the difference that the heroine does not stand alone, but faces the malignancies of Fate with the invisible presence of the father she loved and lost always beside her. Without any particular art, Miss Parker wrings our own hearts in the plain unfolding of her tale. She needs no plot; it is all there, in the brief view of a girl's short life, which is yet in close contact with the other world, and finds that world more real as her loss brands itself deeper into memory. If sentiment is to be the factor determining a novelist's success, why can it not be the sentiment of a book like this, so delicate and yet so strong and true?

L. S.

The Booklover's Diary. (George Newnes, Ltd. 2s. 6d. leather, 1s. cloth.)

Some useful pages in this pocket diary are to remind you of the books you have lent to friends. Most booklovers must have lost books by the simple process, forgetting to whom they were lent. A list of London libraries is worth having for reference. The entry pages are littered with brief remarks on living authors; they provide another useful item: a list of critical cliches.

J. S.

The Definition of the Godhead. By Dora Marsden, B.A. (Egoist Press. 21s. net.)

Miss Marsden has written a weighty volume to prove that there really are such things as Time and Space, and that they are not the same thing, matters which most of us are quite ready to take for granted. But the author is so pleased with her discovery that she makes spatial extension her fundamental criterion of reality and ruthlessly exacts this "cost of living" from all things from the Euclidian print up to God Almighty. Indeed, I had begun to hope that she meant to establish the exact length, breadth, and height of the Deity, perhaps with a view to painting and papering Him (or Her), but I was doomed to disappointment. I therefore consoled myself with the reflection that a person whose taste in human prose is so execrable as Miss Marsden's would certainly have made a mess of the Divine Wall-papers. Open the book where you will, you are almost sure to light on some such gem as this: "Hence again the wild stories which gained currency relating to the powers of the Great Goddess; for she who (the force which), in the great temples (e.g., the temple of Diana at Ephesus, and that of Serapis at Alexandria), was seen to be capable of sustaining in the air, 'unsupported,' the images of the gods, could be credited with power to work all manner of 'magical' wonders. This book is (alas!) only the first of a series to be published, very appropriately by the Egoist Press. It is only fair to add that behind Miss Marsden's "spatial extension" nonsense there lies a "philosophy, not her own, which makes for rightness"—a philosophy old as the hills and fresh as the morning. And when she approaches this, Miss Marsden achieves one or two phrases which almost make the book worth reading.

N. M.

Spider Boy. By Carl Van Vechten. (Alfred Knopf. 7s. 6d.)

A shy and modest short-story writer has a play produced on Broadway which is successful. He is immediately surrounded by an army of interviewers; a deluge of business and social invitations descends upon him; and before he can escape he is spluttering for life in the organised publicity of New York. He runs away to the wilds, but the train he travels on has a film-star on board and she captures him for Hollywood despite his struggles. He is not anxious either to be famous or to make lots of money; this seals his doom in Hollywood, where art is art, and two million dollars are spent on one film in order to make certain that it will be a masterpiece. His reiterated confession that he knows nothing about the cinema only makes everybody assume that his price for a "story" will be very high. He is fought for by the lovely ladies of Hollywood. One of them drags him to the Greatest Film Magnate, to meet whom the jesters celebrities of the celluloid world would wait on their knees for a year. The bashful one tells the magnate that he does not want to write scenarios, he only wants to be left alone. This unprecedented behaviour shocks the magnate into offering him the finest contract ever given for a scenario.

The climax of the dramatist's nightmare comes when he sees his film screened, to the making of which he has not contributed even the title. But it is a great success, and the rain of dollars into his exchequer does not cease. . . . This alert, quickly-moving, well-written satire makes an hour of good entertainment. Those who know anything of the film world will agree that it is near enough to the facts to be called a humorous commentary rather than a satire. Those who do not will believe, with the bewildered hero, that this Hollywood is the nightmare of a disordered imagination. As the book is already in its third edition, a host must have laughed at it as much as I have done. If it is rather late for a review, blame the publisher.

J. S.

The Money Game. By Norman Angell. (Dent, 12s. 6d.)

This bulky volume includes not merely apparatus and instructions for playing three games, but also a Robinson Crusoe story of desert islands and pirate treasure, and a dissertation on the nature of money, with supplementary notes on the teaching of economics. Mr. Angell has been so anxious to show that much money is of no value when there is a shortage of goods that he has forgotten the possibilities which arise when abundance of potential real wealth is accompanied by shortage of financial credit. However, as any clear thought on economic matters is likely to lead in the direction of Social Credit, and as this book is a real attempt to express these mysteries in vernacular, we may forgive the omission of any mention of the Credit Theory in the text, and of Major Douglas' name from the index. The story relates how a sailor landed on an isle (after the style of Pitcairn Island) with £100 in gold. Finding scattered about many pieces of machinery, the result of a former wreck, he issues bank-notes on the strength of his gold reserve in order to buy them, and to build up various industries. In the game, one player represents the sailor, and is provided with a stock of tiny notes; with these he buys cards representing bits of machinery dealt to the others. The latter try to "break the bank" by accumulating more notes than he can meet, meantime "buying low and selling high," and generally trying to skin their neighbours. Thus are illustrated the Gold Reserve and the Issue of Credit—to say nothing of the accepted principles of business morality. The second game deals with Inflation, and shows the uselessness of paper money when goods are scarce. The third deals (not, as might have been hoped, with the effects of scarcity of paper money when goods are plentiful) but with the issue of bank-loans and their result in stimulating trade. A prize may be offered for improvements to the games, and it is to be hoped that some reader will increase his own private purchasing power by devising some means of using the cards to illustrate the Credit Theory. In the meantime, the game forms an enjoyable pastime, and may help to make the Theory seem more real. The danger of such games is, of course, that they become mere side-tracking, so that those with too much social conscience to waste time on bridge or mah-jongg may spend hours playing the "Money Game" under the impression that by thus studying economics they are doing something useful. Knowledge—even "new light on economics"—is of no value until it is applied.

I. O. E.

CAROL FOR LONDON'S UNEMPLOYED.

(The gas explosions of December 21, 1928.)

God rest ye, merry gentlemen,
Let nothing you dismay,
Remember that New Oxford Street
Blew up this happy day.
A hundred and fifty thousand pounds
Repairs they've got to pay.
Oh tidings of comfort and joy!
Comfort and joy.
Oh, tidings of comfort and joy!

A. B.

MASS PRESSURE.

'Twas th' Appointed Day, in the morning,
And we marched, ten thousand strong,
To hurl the tyrant bankers
To the Place where they belong.

When up came ten policemen,
They did!—the dirty crew,
And we ran like the very Devil:
What the Hell else *could* we do?

T. H. P.

LETTERS TO THE EDITOR.

"THE WELL OF LONELINESS."

Sir,—As you were not present at London Sessions on Friday last, December 14, to hear how the Attorney-General found it necessary to open his case for the prosecution of the publishers of *The Well of Loneliness* by narrating the entire story of the book, and detailing the names, functions, and actions of each separate character, to the bench of magistrates, who presumedly should have read the book before sitting in judgment upon it, you may find the enclosed letter from the Public Prosecutor, Sir Archibald Bodkin, interesting, as throwing light upon the Government's legal (?) procedure in connection with the preparation of their case.

[Miss] RADCLYFFE HALL.

P.S.—The Chairman of the Court referred to in Sir Archibald Bodkin's letter was none other than *Sir Robert Wallace*.

Director of Public Prosecution Department,
1, Richmond-terrace,
Whitehall, London, S.W.1.
November 27, 1928.

Dear Sirs,—With reference to your request that I should supply copies of the above-named book to the Court of Quarter Sessions, with a view to the Justices attending thereat, in connection with the appeal, should have an opportunity of reading the book before the appeal is heard, I beg to inform you that I have been in communication with the Clerk of the Peace, Sessions House, Newington, who, *on the directions of the Chairman of the Court, informs me that it would not be appropriate, nor practicable, to act upon your suggestion. I therefore do not propose to adopt it.* I understand that the appeal will be set down for hearing on Friday, December 11, on which day there are other appeals to be heard. Perhaps you would be good enough to let me know whether you propose to make a special application for a fixture for the hearing of the case, and, in that event, when any application is proposed to be made, and what day you would suggest.

Yours faithfully,
(Sgd.) A. H. BODKIN.

Messrs. Rubinstein Nash and Co.,
Solicitors,
5 and 6, Raymond-buildings,
Gray's Inn, W.C.1.

ANSWERS TO CORRESPONDENTS.

A. T.—You will see that your main point was answered in last week's issue, which probably crossed your letter. It is no use our opening up the question of Major Douglas's standing for Parliament. He does not wish to stand: so discussion is superfluous.—ED.

B. Q.—We note your protest against the inactivity of the Social Credit Movement; also your opinion that *the Head Man of the Kibbo Kift seems to be the only writer capable of putting into practice what "we" all know to be necessary to success, i.e., a mass-demand for monetary reform.* Lastly, we note your statement: "*I am not a member of this organisation.*" We suggest that you join it, especially since in your judgment there is, in the Social Credit Movement, "*a tremendous tendency to talk, and leave it to the next-door neighbour to supervise the carrying of it out.*" Your letter would fill about a column and a half of space, and nearly every point you make was made by Mr. Hargrave in his contribution of a few weeks ago. Whatever our own beliefs are as regards the feasibility of Kibbo Kift policy, we have given our readers the fullest opportunity of knowing what the policy is and of deciding whether they wish to support it. All further correspondence on this subject ought properly to be sent to the *Age of Plenty*, because that journal professedly exists to further credit reform among the general public, whereas the policy of THE NEW AGE is to encourage every line of action, by whomsoever adopted, that converges, from however remote a point, on the central objective of Social Credit. As these lines of convergence approach, realisation of the objective will become clear, alliances will be formed, and leaders thrown up: but it would require a seer to forecast out of which of the advancing bodies such leaders will spring. In the meantime THE NEW AGE has its supporters everywhere; and the combined effect of their separate activities will be suddenly manifest when those converging bodies of opinion which they are influencing arrive within signalling-distance of each other or face to face with the final obstacle to their economic freedom.—ED.

All communications should be addressed, Manager, THE NEW AGE, 70, High Holborn, W.C.1.

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