

# THE NEW AGE

INCORPORATING "CREDIT POWER."

A WEEKLY REVIEW OF POLITICS, LITERATURE AND ART

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## NOTES OF THE WEEK.

Addressing the members of the Leeds Luncheon Club on January 27, Mr. J. Gibson Jarvie, managing director of the United Dominions Trust, Ltd., referred to the proposed acquisition of shares in his company by the Bank of England. This item of news, reported in the *Journal of Commerce* on January 28, resolves the doubt we expressed last week as to the nature of the assistance which the Bank had promised to Mr. Jarvie's company. Presumably the Bank will buy the "A" shares that we referred to, carrying the preferential dividend right (up to 10 per cent. of the profits). There is no further comment to be made at the moment. We record the fact for the information of readers who may find it useful for reference later on.

When writing on the Hatry trial last week we had not seen any newspaper reports later than Saturday—the day following the trial. (These "Notes," having always to be written on a Sunday so as to be set up in type on the next morning, cannot contain references to anything later than the Sunday morning.) As will be remembered, the leading article published by the *Financial Times* on the Saturday (January 25) provided as much matter as we required for our purpose; so we deferred our reading of the Sunday papers until our speculations and hypotheses and all else had been safely locked up in the machines where the moving lino could not untap a single word of it. Had we filled in the cross-word puzzle correctly? Well, it will be a long time before the secret solution is revealed, but we submit to our readers that the comments of the Sunday papers afford encouraging evidences that we are well in the running for the prize.

Mr. Garvin's contribution to the *Observer* was a thrill. We have never seen him so excited before. His temperature was high enough at the time when *Britannia* made the suggestion that as editor of the *Encyclopaedia Britannica* he had been prevailed

upon to allow Americans to write the articles on British foreign policy in the East. But this time he bursts the thermometer. The regiment of epithets which he mobilises against Mr. Hatry has to be inspected on parade to be appreciated. Everyone ought to read him. Any quotation from him less than the complete diatribe would do him severe injustice. It affords a convincing demonstration of the "flow theory of vituperation."

When mugs slop over wise men can moisten their lips. And so it happens here. Not only should the murderer be hanged many times over but everybody who pities the brute ought to be hanged too. It matters nothing to Mr. Garvin that no corpse has been produced nor any living person reported missing—no blood, bones, hair or any other physical trace of the crime detected. Yet so insistent and confident is Mr. Garvin, who of course has been told a good deal in confidence by people in the know, that murder has been done, that surely it must have been done. In these circumstances one must assume a *spiritual* murder.

And Mr. Garvin does not make any bones about confirming such an assumption. He singles out as his chief indictment the fact that Mr. Hatry was able to deceive the greatest and keenest bankers in England. He was able to raise money on un-sound security even within the hallowed precincts of City Cathedrals and right "under the noses" of the Financial Archbishops. Measured against sacrilege, of what moment is a paltry robbery of your fellow man. Mr. Hatry has blasphemed against the spirit of sound finance, and that is a sin that shall never be forgiven.

There is no difficulty now in seeing whence all this agitation proceeds, and why. The "City" is known to have become involved in a loss of £20,000,000. No matter in what proportions it has been sustained by the general investor, the stockbroker, and the banker, it is practically being

sustained in toto by the banks. That is the reason why the "City," in the narrower meaning of the word, has "recovered" from the shock, as the admiring newspaper-editors are telling us. Now if the loss is a real one the public will be expecting to see evidences of sacrifice and suffering somewhere or other sooner or later. If they do not see any sacrifice or suffering they will suspect this "loss" to be fictitious—a trick of figures. But then they will reflect that, after all, the loss was proved by reference to the same rules of accountancy as have been applied elsewhere to industrial companies. If, therefore, the City's losses are fictitious, so must have been those of, say, Messrs. Vickers and Messrs. Armstrongs, and a host of other unfortunate enterprises. In that case how is it that those firms had to expiate their failure whereas the City escapes any penalty? These are only a few of the awkward questions which this affair will prove to have quickened. The public, of course, will need prompting to analyse the situation along these lines—and that is where the Social Credit Reformers can make themselves useful.

Mr. Beaumont Pease told Lloyds Bank shareholders not to listen to fantastic rumours about bankers' losses due to the Hatry smash. His bank had not invested a penny in any of the Hatry companies;

"But in common with other banks we made advances to them almost entirely against what we believed to be Trustees securities, or good Stock Exchange securities outside the group, or against guarantees. . . . Any securities of the group in our possession were lodged by way of margin only, and we should suffer little loss but for the fact that many of the municipal and other securities are now challenged as having been fraudulently issued or dealt with."

He referred to some "difficult questions of law" that have arisen between "innocent parties" and said that until these had been settled it was impossible to tell what his bank's loss would be.

"We have, however, taken the prudent course of providing in the usual way out of the profits of the past year a sum of £500,000."

He thinks the loss may well be much less than this figure.

The total face value of the forged certificates was £795,000. Supposing that they had all been planted on the banks as security for advances, the total advances would have been something less than £795,000—say, £700,000. If the Big Five had participated equally in the transactions the average loss per bank would work out to £140,000. The only other figure mentioned in the judgment was the sum of £822,000 which represented the proceeds of sales made by Mr. Hatry and his associates of genuine stock. This money was not paid over to the Swindon, Gloucester and Wakefield Corporations, as it should have been, but was appropriated to the purpose of meeting liabilities of the Hatry group of companies. These Corporations may have got advances from their bankers on the strength of their expectation of receiving this money from Mr. Hatry and his associates. In that event the default makes the ratepayers debtors to the banks. But even if the Corporations did not anticipate the receipt of the stock-revenue in this way, they are committed to expenditure equivalent to its sum, and may indeed have already become liable to pay a greater or lesser proportion of it to contractors and others for work in progress. In that event the ratepayers are debtors to the Contractors. But since the ratepayers haven't got the cash, and no other persons and institutions are legally liable to make it good, the banks must come in and nurse the

affair or else let those municipalities go bankrupt. (It would be interesting to see a municipality go bankrupt. Would the Government distrain on the property of the ratepayers, or surcharge the Councillors, or what?) Anyhow, the sum total of the maximum loss that can be borne by the banks as a result of the forgery and misappropriation together is no more than £1,617,000 or an average of a little over £300,000 for each bank. We suggest the banks write up the value of their premises by this trivial amount and forget all about it.

The *Financial News*, of course, commented on the trial in its issue of January 25. It allows "all validity" to the plea put forward by Mr. Hatry's counsel for mitigation of punishment, namely

"that the prisoners had been at some pains to prevent losses falling on persons who could ill afford to bear them rather than upon wealthy firms and banks, to which at least they would not come as intolerable hardship."

But this, it says, faithfully following the authorised text of bankers' judgment, has no relevance to the assessment of the "real damage inflicted on Society," namely:

"... the indirect reactions on confidence and enterprise by such a fact as that London's reputation for consistent fair dealing has suffered appreciably in the eyes of the world, and that the flow of much-needed capital into industry has been seriously impeded by the reactions of the affair upon the mind of the ordinary investor."

As we said last week, it is within the power of the banks to make good the supply of capital which the ordinary investor is afraid to venture. And since the capital is "much-needed" one infers that its provision would be a beneficial act from the point of view of national interests. We discuss the supposed inability of the banks to create and issue credit for the purpose in another article.

The *Financial News* moralises over the crash to some purpose. It truly remarks that the crimes cannot but be related to the "soil in which they germinated—the modern system of 'group finance.'"

"The planetary arrangement of holding, and subsidiary, companies—planets each with attendant satellites revolving round a central sun . . . is not, of course, in itself an undesirable development of finance. On the contrary, in its legitimate form, it is a necessary correlative of industrial integration and large-scale production." (Our italics.)

But unfortunately this group finance "affords opportunities and presents temptations to the unscrupulous financier." Quite so; and the more that the bankers perfect their technique for economising credit the more activity and ingenuity will other people display in getting hold of it "illegitimately," whether it be by forgeries of stock, mailbag robberies, strikes, snatching, incendiarism, food-adulteration, handbag-lockouts, or any other of the inevitable concomitants of a shortage of purchasing-power. Students of the Social Credit analysis will see a deeper moral still. What the *Financial News* calls the soil in which the evils in question germinate was defined by Major Douglas as *Cost* (i.e., the universally accepted principle of accounting costs into prices). It is so because is the core of the economic problem. It is so because the vital difference between solvency and insolvency to industrial enterprise as a whole depends on the question whether sellers can recover all costs from the buyers, who are, of course, private consumers and no others. Major Douglas has demonstrated, mathematically, that the recovery of full cost is an impossibility. Not only so, but that every development of financial technique (i.e., "group finance"), every step forward in "industrial integration," and "large-scale production," in short, every advance in productive efficiency, directly widens the irrecover-

able margin between the measured bare cost inside industry and the totality of incomes available to buy its products.

This is the basic reason for the Hatry crash; and unless the flaw in the price-system is corrected, there will be worse crashes to come. The suggestion that the Hatry enterprises were intrinsically "unsound" (whatever may be meant by the word) has nothing whatever to do with this issue. If there were no enterprises in existence but those engaged in making useful commodities for the population, the flaw would reveal itself in bankruptcies just the same. Under the present system a large and increasing proportion of invested money is bound to be lost. It is only an accident that Mr. Hatry appears as the agent of such a loss. And it is a happy accident for the promoters of other enterprises. Mr. Hatry's companies went smash because they had been disbursing more money than they had been collecting. Very well, because that was the case other enterprises who were fishing in the same market were able to collect more money than they had disbursed. If Mr. Hatry had made good some other group would have felt a draught.

The *Financial News* indulges in another moral. Asking the hypothetical question: "Why were the leading banks and financial houses persuaded to advance Mr. Hatry the huge sums that they did," and anticipating the easy answer that the securities looked good and could not have been reasonably suspected, it is not satisfied, and proceeds as follows:

"Yet the fact remains that the banks who lent such large sums to a man of Hatry's record broke the most elementary principle of banking. They lent on the security instead of lending to the man. To Hatry, on his own bond, they would not have lent a penny, but the gilt-edged securities which he tendered overcame their scruples. The unfortunate result of these transactions does but prove once again that, despite modern devices, the old rule still holds; that the teaching of Gilbert and Macleod has not been rendered obsolete by the great developments in the transferability of titles to property which have taken place since their day." (The writer's italics.)

This is an excellent moral. Its excellence depends on a much wider interpretation than the writer intends, but he is entitled to congratulations for inventing or reviving the pregnant formula: Lend to the man and not on the security. Beautiful. There is a flavour about it reminiscent of the days when the local bank-manager and the borrower were both personalities. On the part of the banker there was the power of decision, allied with knowledge of the integrity and ability of his customer, together with the general conditions of business in the locality. To-day a would-be borrower at a branch bank has to submit his request to a Resident Clerk (which is the rôle which local managers are expected to fill by the Directors) and that official has to submit the application to the Head Office in London. We remember reading an interesting and forceful set of articles in a Liverpool newspaper a year or two ago in which the writer spoke on this feature of local irresponsibility in modern banking practice. He said that it was impossible for Liverpool business men to conduct borrowing-transactions of more than trivial dimensions at the Liverpool bank-branches. It was the same old formula: "We must refer this to London." Some reader in Liverpool may remember the newspaper, and perhaps the name of the author. If so he might suggest to either or both that a renewal of such criticism would be most opportune.

We hear from a trustworthy source that Mr. Montagu Norman, when before the Snowden Committee, was asked to furnish information as to the owner-

ship, administration and policy of the Bank of England. His answer was an emphatic refusal—these matters, he said, being "outside the Committee's terms of reference." When a banker appears before the Committee to give evidence, apparently he becomes Chairman as well as witness. This is logical enough, for although the terms of reference have been published, only the bankers know for certain how they were intended to be interpreted.

The Manchester Association of Importers and Exporters have sent a letter to Mr. A. P. Macmillan, K.C., Chairman of the Snowden Committee, in which they state:

"It is not too much to say that certain foreign countries are practically in a position to dictate to us what our Bank rate should be. In the opinion of the council the time has come for the introduction of a national currency and credit system whereby the volume of currency and credit and the rate of interest would be freed from external influences and regulated more in accordance with British requirements." Quite so. But Mr. Norman's ruling referred to in the preceding paragraph virtually forbids the Committee to investigate external influences of any sort on the national credit-situation. Whether the dollar is shaking the pound by the hand or by the scruff of the neck is a question which only Mr. Norman and his associates in the Bank of England can be asked to tell us. If they will not tell, it is no use looking to Wall Street to give the information. The M.A.I.E. have done well to raise this question, and it is to be hoped that they will renew their protest. At the least they could demand from the Committee a much greater measure of publicity than it has been affording the country. Why, for instance, should the proceedings while Mr. Norman was before it be kept secret? Some of the questions and answers might possibly have required confidential treatment, but what conceivable State interest could be endangered by a frank report in the newspapers that the Committee had acquiesced in a ruling that the ownership, administration and policy of the Bank were matters outside its jurisdiction? And even if this secrecy could be defended as concerns the general public, surely the individuals and groups who have yet to give evidence are entitled to be made acquainted with such a ruling, for it directly affects the matter and manner of presenting the evidence which they are preparing to submit.

In an address given to the Liverpool Cotton Trade Institute on January 22 (see the *Manchester Guardian* of January 24) Mr. Ernest E. Canney suggested that finance, far from sharing in the burdens created by the war, had actually increased its charges and had become in effect a "sheltered trade." This, and "not internal inefficiency," was the cause of trade depression.

"The suppliers of credit had been permitted to exploit the users of credit; financial interests, in short, had been able to dictate financial policy, without regard to the State and the interest of industry at large. . . . The imposition of a financial policy which gave all its consideration to the banks and none to industries forced on industries excessive charges on production before ever they came to touch their raw material. Equal and opposite cures must be found. It would be necessary to correct the effects of war finance and the subsequent deflation which had despoiled the investors in industries in the debt owed by the ten years deflation had doubled the debt transferred position and industry to finance. It had transferred possession of the turnover mills of Lancashire from their true owners to the banks. The shareholders had been bled white, and such associations as the Lancashire Cotton Corporation were now consolidating the gains of the banks. Deflation had thus caused the grossest inequity."

Mr. William Gallacher, J.P., a director of the Scottish Co-operative Wholesale Society, has been

doing similar good work. The *Scottish Co-operator* of January 25 reports a speech of his before the Central Conference Association at Glasgow. He appears to have dealt with the following points:

1. The creation of money by bank credits.
2. The moratorium to the banks in 1914.
3. Deflation raises unemployment from 340,000 in 1920 to 1,500,000 in 1921.
4. Rising prices impede buying. Falling prices encourage suspension of buying. What is wanted is a "stabilised price-level."
5. A lot of industrial capital is not real (e.g., accretions by bonus shares).
6. Time coming when "a small number of people would be able to produce what the community required."
7. Industry did not need finance so much as orders. His own Society could at present, without any addition to machinery or employees, produce one-third more boots than they were doing.

Speaking of remedies Mr. Gallacher names Professor Soddy and Major Douglas. He describes one of Major Douglas's proposals in these words

"that commodities should be sold at less than cost, and that the Government should make up the loss to the retailer."

This does not shock him. In fact, he says that "the idea of giving away free money is not new," and instances the loss on the unemployment fund (now £40 millions in debt) as an example of "giving away money free." This misunderstanding needs correction. The "free" money "given away" under Major Douglas's proposals would not be raised in taxes either before or afterwards. It would be new money, created for the express purpose of increasing the "ordering-power" of the general body of consumers. The raising of taxes for such a purpose would reduce this ordering-power by the same amount as it increased it. Taking the S.C.W.S. boot factories as representing industry in general, the Douglas Proposals would guarantee to the S.C.W.S. the sale at a profit of the one-third increased output, provided that people could be found who wanted to have the boots. (Not an onerous condition!) Further, if the S.C.W.S. developed its machinery and dispensed with some of its workers, this would be all to the good, because the increased unemployment would reflect an increased capacity to make boots, and since the Government would guarantee a profit on the whole possible output, the whole output would come into the market, and the community (employed and unemployed alike) would be able to divide up more boots than when everybody was employed. It is quite reasonable. Every man sacked is dispensed with because the machine can do more work than he can. Therefore he is entitled to his share of the extra work-product. And, as Mr. Gallacher recognises, we are rapidly approaching a time when, if we allow only industrial employees to draw goods out of industry, the whole system will collapse for the want of orders.

"Speaking at Ipswich on Saturday night, Mr. Ben Tillett, M.P., said the textile magnates appeared to be either too poor or too inept to realise the virtue of scientific rationalising of industry and the scrapping of all obsolete plants and processes for the greater efficiency which modern methods and equipment were capable of providing.

"The energetic measures of Mr. J. H. Thomas were inadequate to master the organised handicap of out-of-date machinery.

"Sometime the quidnuncs of finance and the sordid gang of speculators might find their actions checked by a controlling State Economic Council, which would be as ruthless and as relentless in defending the country against parasitic profits."—*Daily News*, January 13.

We should like to know what the profits of the textile manufacturers amount to. And Mr. Tillett would do well to inquire where profits go to. He seems to assume that they are wholly distributed as

dividends. What, for example, is the ratio of dividend to invested capital for the whole country? May we have a look at the pie that Mr. Tillett proposes to have a cut at? To show us a super-oven is no answer.

The *Daily News* has published a leading article on machines and unemployment. It has been driven to do so by a despatch from its New York Correspondent. On January 15 this Correspondent's facts about unemployment in America and his conclusions as to the cause of it (labour-saving mechanisms) were too much for the traditional illusion that "machines make work." In the issue of the *Daily News* of the same date the leading article is headed: "The Machine Turns Traitor." We do not wonder. Here are facts which show that America, who has more gold than the rest of the world put together, and who is working under a financial system based on the gold-standard, nevertheless has "over 3,000,000 the workless roll" (*D.N.* Correspondent's headline). The one creditor-nation of the world is up against the same problem as the lowliest debtor-nation. "Robot Rule" is another exclamatory headline of the Correspondent's article. The cross-heads to his article include such lines as these:—

*Improvements in machinery. The invention of labour-saving devices. The extension of cheap electrical power. The process described in Great Britain under the name Rationalisation. Men who look to bootlegging. Since 1919 machines have turned one million workers out of United States factories. Out on the street go the sometime human salesmen, displaced by mechanical robots.*

The last reference is to automatic vending-machines, which increased in number by 328 per cent. between 1919 and 1927. 'Tis true, says the *Daily News*. But the reflection "Pity 'tis 'tis true" is much too mild to express its reaction to the truth. "It's nonsense that it's true" is the theme of its leading article.

But when it comes to the question what to do to make it untrue the writer cannot think of anything but the following:

"It is a kind of nonsense to say that a process which makes the world richer must inevitably make thousands of individuals poorer. That may be its immediate result; it cannot really be its ultimate result.

"What is really wanted is an organisation strong enough and intelligent enough to control the violent processes of change and regulate the violent jolts which new methods on their introduction inevitably give to the industrial machine. And this must be possible. Man is in many ways not, in fact, master of his fate. . . (but) If he likes he can always control the machine: it can never be his master unless he is content to have it so." (Our italics.)

The only way to lessen the violence of jolts is to travel slowly. But why assume the inevitability of the jolts? By doing so you are compelled to retard the application of inventions and discoveries which are admittedly beneficial in a real sense. That is the only meaning of the phrase, "control the processes of change." The "strong and intelligent organisation" for which the *Daily News* calls is not formally in existence, but the functions are being applied. Here is a story told us only last week.

A textile firm in Belfast went smash. The factory was full of the most modern machines and equipment, practically new. After much difficulty the other firms in the district clubbed together to buy it, and they bought it for at virtually scrap price. Nothing was done with it for twelve months. Then one day some gentlemen appeared and took away an odd machine or piece of equipment here and there to fill gaps in the other factories. This done, they sent along a gang of men with sledge hammers, who literally smashed the installation to pieces.

Here is an example of the "regulation of violent jolts" in practice. The only function left for the *Daily News's* "intelligent organisation" would be that of rationalising this sabotage process. For instance, it might offer a prize for the best invention of

an automatic machine to destroy machinery. There is dynamite, it is true: but this is an unruly sort of regulator: it would destroy the machines all right, but might blow down the bank across the road and scatter currency notes all over the neighbourhood. Then everybody *would* be in a mess, wouldn't he?—or would he?

The Bank of England directors announce with great regret that they are about to lose the services of Mr. W. W. Stewart, of America, who has acted for the past two years as their adviser. His place is to be taken by Dr. O. M. W. Sprague, of America, Professor of Banking and Finance at Harvard University. He will take up his duties next July. The *Star* of January 29 says that this comes as an "unpleasant shock"; and that it is "disturbing to learn that the Bank of England must seek abroad for economic and statistical information." If the writer is serious he has misinterpreted the announcement. The two gentlemen named are Uncle Sam's broker's-men. One is relieving the other—and that's the whole story. It will be remembered that Mr. Micawber sometimes entertained similar visitors. One of their duties was to watch that Mr. Micawber did not remove any property from the house. Similarly, one of Mr. Stewart's duties has been to watch that Mr. Norman does not let any credit out of the banking system. We know an old man who has, in his time, done this sort of job. He often comes out in conversation with the humorous remark:

"And when I came home I found the brokers in and the fire out."

And when our armies came home to their jobs they found the same thing—financial brokers in and factory-furnaces out.

## The Limit to Credit-Issues.

A correspondent refers us to Mr. McKenna's statement that there is a limit to the amount of credit which a bank can give. This is true in respect of any single member-bank of a national system. But the "can" give means "is permitted to" give under the rules of the system. Similarly there is a limit to the amount of credit which a whole national system can give. But the limit is imposed by the rules of the international combination of national-systems. The national set of rules is derived from the international. Neither set arises from technical necessity. Both are arbitrarily imposed for reasons of policy and for an economic objective, that objective being to keep personal consumption down at the lowest point while raising production up to the highest. To those people who regard such a policy as an absolute necessity the limit on issues of credit which Mr. McKenna refers to must also appear an absolute necessity. To the Social Credit reformer, who rejects the policy, the limit is not a necessity at all.

The rules of the banking game are like those of any other game, which depend on what the game is being played for. The credit limit imposed on a bank is equivalent to the off-side rule imposed on a football player. The Football Association could abolish the off-side rule to-morrow; and football could be played without it. It exists because both the players and the spectators have found that on the whole the game works out best that way. But as concerns the economic game, neither producers nor consumers are satisfied with it.

Mr. McKenna has said that every loan by a bank creates a deposit to an equal amount. His present statement that there is a limit to the amount of loans that a bank may make is therefore a statement that there is a limit to the amount of deposits it may create. As a technical proposition any one of the Big Five banks "can" create a thousand mil-

lion pounds of credit to-morrow. The reason why it "cannot" do it in practice is because probably the bulk of the new credit would be deposited later in the other four banks, who would require the lending bank to settle the Clearing House balances in their favour by a transfer of a special form of credit which may be called bank cash. This special form of credit is arbitrarily chosen and arbitrarily limited. There is no earthly reason why all the credit in existence should not be of the same nature as "bank cash."

The confusion between the "can" and "cannot" which appears here arises from the cunning of the high-financial controllers of the credit system. You have five large banks visibly functioning as independent and inter-competitory institutions down at the commercial bottom of the economic system. And you have the same five banks invisibly functioning as one undivided institution up at the political top. The political top prescribes a limitation of bank cash, and compels the member banks to settle balances in that sort of cash. Fundamentally there is no more reason why the banks should settle balances with each other by transfers of cash than why the departments of any industrial concern should do so. Also, fundamentally, there is no need for an independent bankers' banker—i.e., the Central Bank; nor for an independent auditing institution—i.e., the Clearing House, exercising virtual powers of surcharging an "extravagant" member-bank. Lastly, as we have "extravagant" member-bank. Lastly, as we have said, there is no need for this rigid distinction between bank cash (e.g., Bank-notes, currency notes, etc.) and the preponderating quantity of credit that circulates by cheque. But on the other hand, once seen that the secret policy is to restrict credit, and these institutions, mechanisms and conventions are beautifully adapted to the purpose of making the restriction appear inevitable.

The Social Credit reformer must not allow himself to be interpreted as attacking any particular bank for restricting credit. He is not. He knows very well that directly, e.g., the Midland Bank expanded its loans, the other four would be able to exact a penalty from it by the process just described. What he demands is that all this "quota" nonsense shall be done away with.

It is significant that bankers hold themselves exempt from the merger principle which they are imposing on every other form of activity. Every body else must "get together" as a single unit of activity under a centralised book-keeping department, while the bankers allow themselves to maintain five great institutions each with its own book-keeping department. And then the public is bombarded with figures representing the "Midland's" deposits, "Lloyds'" deposits, these deposits, those deposits, as if the credit system depended for its stability on the differentiation and location of the groupings and would crash to the ground if they were merged in a single record of British Banking Deposits. What *would* crash in that event would not be the credit-system but the illusion of inevitability as regards the expansibility of credit. The Clearing-House check would automatically become inoperative, for a British Bank Trust would not have any settlements to make. It would therefore not require any "Central Bank" to handle such settlements. It would have absorbed some of the present functions of the Clearing House and the Bank of England, and have scrapped others (after the approved fashion of Lord Melchett's industrial rationalisation), and we should then have a national institution which could only justify its inability to issue credit in this country if it could show the existence of a check imposed on it by foreign interests. That difficulty could be dealt with—always provided that Mr. MacDonald and Mr. Snowden had not scrapped the Army and Navy between them in the meantime.

### Our Daily Bread.

"Yet what a difficult problem lies underneath all this! While the reaper yonder slashes at the straw, huge ships are on the ocean rushing through the foam to bring grain to the great cities to whom—and to all—cheap bread is so inestimable a blessing."

"Perhaps at the same moment the farmer himself sits at his desk and adds up figure after figure, calculating the cost of production, the expenditure on labour, the price of manure put into the soil, the capital invested in the steam-plough, and the cost of feeding the bullocks that are already intended for the next Christmas. Against these he places the market price of that wheat he can see being reaped from his window, and the price he receives for his fattened bullock. Then a vision rises before him of green meads and broad pastures slowly supplanting the corn; the plough put away and the scythe brought out and sharpened. If so, where then will be the crowd of men and women yonder working in the wheat? Is not this a great problem, one to be pondered over and not hastily dismissed?"—(Richard Jefferies, *A Wheat Country*, 1882.)

It is always a pleasure to meet a man who combines practical experience with the ability to express himself in simple, lucid English. To this select coterie belongs Mr. A. H. Hurst, who, in his book\*, gives us in concise form the results of an active participation in the grain trade dating back to pre-war days. It cannot be said that his summing-up of the situation is reassuring; but, as he says in his "Foreword,"

"it is necessary that the public, and especially publicists, should be informed of the actual state of things. The facts as revealed here are sufficiently alarming from the standpoint of national interests."

They are! The gravamen of his criticism is that the position of Great Britain as "the classical example of a grain-importing country" is based on the assumption of a free wheat market, whereas, as a matter of fact, no such thing exists. Therefore,

"it is a species of mental laziness to reason by analogy from the economics of a free wheat market to the economics of a market whose supplies are rigidly controlled."

Now in the days before pools and pits, trusts and combines knocked the bottom out of free trade generally, the grain merchant played an active and useful part in the national economy. It was he and his colleagues abroad who

"limited by judicious and legitimate purchases any outrageously unwarranted upward movement in the prices of wheat in any market, and therefore helped to secure cheap bread."

But there is no longer a free market. In every great wheat-growing centre prices are artificially inflated or depressed; the natural flow of grain to the markets of the world is checked or deflected, not in the immediate interests of the farmer and still less for the benefit of the bread consumer, but at the behest of a gang of gamblers and speculators who, in less sophisticated days, would have been incontinently hanged as forestallers and regraters.

The subsidy policy of the United States Farm Board permits it to glut foreign markets while retaining home prices at a reasonably high level."

The chairman of the Board of Grain Commissioners of the Dominion of Canada may decide as he did on September 20, 1929,

"that the Canadian farmer should not be induced to export any grain overseas until he received the 'adequate' price then demanded."

The ruling prices on the London market at that date were:

	Quarter.
	s. d.
3 Northern Manitoba .....	53 0
Australian Wheat .....	47 6
2 Hard Winter (U.S.A.) .....	46 0
63½ lb. Barusso (Argentine) .....	44 0
Good English Milling Wheat delivered Exeter or Lincoln .....	40 6 to 41 0

\* "The Bread of Britain." By A. H. Hurst. (Oxford University Press. 2s. 6d. net.)

Even then the Canadian pool was not satisfied, and proposed holding out for higher prices. The results to the British bread consumer are disastrous. Let us see how it works out:

"The average price of good red milling wheat in Liverpool between May 10 and June 10, 1914, was 7s. 7½d. per cental. The average price the same date in 1929 was 8s. 0¾d. per cental—an increase of 5½ per cent. The official price of a loaf of bread in London from May 10 to June 10, 1914, was 5½d. for a 4 lb. loaf. The price of the same loaf from May 10 to June 10, 1929, was 8½d.—an increase of about 55 per cent."

And that preposterous increase we in England have to pay—not for the extra cost of milling and baking as might well be supposed, for the cost per unit of production has been, if anything, reduced—but, as Mr. Hurst assures us, for the elimination of the corn merchant from the bulk of the transactions in grain, and "the violent fluctuations in the hedging markets of Chicago, Winnipeg, and Liverpool."

"The bread of the British people is at the mercy of foreign manipulators, pools, boards, and combines." (My italics.)

After his exhaustive diagnosis of the pathological conditions of the corn trade, Mr. Hurst passes on to the consideration of "Constructive Policies," prefacing his suggestions with the assertion

"that the functioning of the former merchant economy in the purchase of bread supplies for Great Britain must be restored."

But he is not over sanguine as to the early restoration of the corn merchant's beneficent activities—and with good reason. Economic history, he says, cannot be reversed. He is, in a mild way, favourably disposed towards Governmental action; at least to this extent:

"Under existing conditions, it is necessary that the Government should be present as a permanent factor in the situation, either co-operating with the trade, grain exchanges, mills, or determining to supersede them all after full consideration of the needs of the State."

As for the possibility of defeating foreign "rings" by increasing the output of home-grown wheat and

"the infinite number of plans for restoring the agricultural importance of Great Britain,"

Mr. Hurst states, quite frankly, that he does not "propose here to express an opinion upon the merits of any of them."

Which is much to be regretted, for, without doubt, that way lies salvation.

Of the financial determinants underlying all rings and trusts, and of the impossibility of reviving British agriculture under the existing system of cost-and-credit accountancy, Mr. Hurst says nothing. This is an aspect of the problem which he has not considered—and how much he has to unlearn on the subject is proved by his reference to money as a "reasonably durable commodity," placing it in the same category with wheat and cotton.

If Mr. Hurst could be induced to rewrite his chapter on "Constructive Policies" after a careful study of the Douglas "Trilogy," he might see a way to the restoration of the corn merchant's position as the British farmer's partner in the creation of a reservoir of home-grown wheat; a happy consummation which would render the artificial price vagaries of Winnipeg and Chicago a matter of comparative indifference—and who can say what the output of home-grown wheat would be if the British farmer were given financial security and the assurance that neither bad seasons nor "rigged" markets would be permitted to interfere with the intensive cultivation of the land?

"Chimerical!" sneers the orthodox economist. "Common sense!" retorts the Social Creditor. J. S. K.

The M.M. Club will meet Wednesday, February 5, in Room 22, Kingsway Hall, at 6.15 p.m.

### Drama.

This Way to Paradise: Daly's.

Mr. Campbell Dixon's dramatisation of Mr. Aldous Huxley's novel, "Point-Counter-Point," suffers from too great an anxiety after complete fidelity to the novel. The result is a stage-production that gives at times the impression of a film, at others of a novel, and occasionally of a play. There is brilliant epigrammatic conversation in which modern life and institutions are criticised; duologue scenes in which modern morality and manners are criticised; and a thread of action which is far from strong and often broken. In the first act, which takes place at one of Lady Tantamount's *Soirées Musicales*, so many people are introduced to the audience that it recalls the scene in Cochran's revue, "Wake Up and Dream," in which all the players cross the stage in a sort of dream carnival. Snatches of dialogue first in one and then another part of the stage communicate information to the audience about the character, usually by the device of permitting characters to speak about one another. The effect is kaleidoscopic rather than dramatic. So far from reminding the audience of Beethoven, the whole first act recalls only modern music of the most criss-cross rhythmic and discontinuous kind. As a view of a particular class, namely, the intelligentsia, gathered about Lady Tantamount for her own glory, without either taste or a sense of philosophical compatibility, the scene is an aesthetically amusing spectacle taking place on a distant horizon. By the end of it, however, far too little has been accomplished in the necessary individuation of the characters.

The five scenes which follow move from Philip Quarles's house to Sydney Quarles's and back again twice, and end in Spandrell's rooms at Chelsea. After Spandrell's death, however, arranged by himself as a sort of retribution for the murder of the megalomaniac Everard Webley, one has not been given the spirit of any character, but only transitory and partial materialisations. One has received no initiation into the minds of these modern men and women, but has merely been swept round modernity on a conducted tour, all one's questions stifled by the appearance of a new scene. The clash between Philip Quarles and his wife, between Spandrell and Everard Webley, and especially the inner soul of Spandrell, were matters which, one felt, ought to have been far more deeply revealed and more satisfactorily synthesised. The scenes between Sydney Quarles and his lady secretary were comic, but as caricature rather than as comedy. They were, besides, less in the mode of men than of women dramatists, who, contrary to the manner in consequence represent the people they dislike in a contemptuous light. Spandrell, as a character, has something in common with Hamlet; but in this dramatisation he is distant, elusive, and himself ghostly.

Everything that production could do has been done. Mr. Maxwell Ayrton's settings are worth seeing, the one for the first act dwarfing the human characters and being itself a magnificent comment on the cultural significance of Lady Tantamount's at-homes. As Lady Tantamount Violet Vanbrugh glowed with the right air of not as other wealthy women who is thankful she is patronage of culture. Mr. Miles Malleon and Miss Erica Foster also gave two splendid caricature performances as the political Tomnoddy, Sidney Quarles, and his secretary. Mr. Leon M. Lion's rendering of Spandrell increased one's hunger for more Spandrell. Mr. Lion delivered every nuance of character and atmosphere which the material

permitted. But the play remains as a whole a work of criticism rather than of creation, a novel rather than a drama.

The Best of Both Worlds: Players'.

The two worlds are that of the world-owners and the world-menders. Ruth Allison and her husband live in Bow, though how they make a living, unless he holds some post in the local Labour movement, is not told. He is heart and soul in the movement, using the whole of his energy and his University education for the emancipation of the workers. She helps and serves the movement also, but her heart is half engaged in the world of culture, which, curiously, combines the National Gallery and the night-clubs in one category. Ruth is called upon to decide this conflict, and either to go away with Murray Latham, cultured, poetic, and wealthy, or to stay with her husband, redolent of committees and other people's poverty, as well as surrounded by ugliness, on a Saturday afternoon when the military shoot some of the members of a demonstration in Whitehall. She decides, under the stimulus of capitalist-State brutality, in favour of "going on."

Mrs. Monica Ewer's picture of the room in the Allisons' house set apart for committee work is very truthfully rendered, and obviously the product of experience; Ruth's conflict has to be faced by every reformer with brains and sensibility, male or female. But it is not here written with sufficient dramatic power to justify the degree in which the other characters are treated as foils for it. Some of them, including Murray Latham, are little more than marionette figures. Their words do not arise from their own thoughts and emotions, but are merely conventions pasted on their outsides. Mr. Harold Clayton unfortunately emphasised the marionettishness of Latham by his method of performance, which certainly did not contribute to the understanding of Ruth Allison's longing for anything he had except his money. Miss Dorita Curtis-Hayward's Ruth was played with understanding, and with sincere effort to convey the audience the inner drama of her struggle between the inclination that bade her go and the conscience that pulled her back. As the agitator-poet with a quiet ear for fine sounds, Mr. Frederick Cooper acted with great delicacy, contributing personality where the author had denied it. Another good performance was given by Arthur Brander as James Newton, a red-tied Socialist of the fanatic right-wing type, who are just as much afraid of provoking the authorities as they are sure of their convictions. They have come over, as a rule, from the chapels. Although deficient in intelligence and fixed in ideas, they sometimes attain high trade-union rank, or even rise higher still, on the strength of their flair for hanging on to the right people. Mrs. Ewer has found a Socialist theme worth doing, and has done it without introducing propaganda. But she has failed to dramatise it, simply because she has not bestowed her artist love on all characters equally and infinitely.

Through the Veil: Duchess.

Mr. Cecil Madden and X. Y. Stone, who have "based this psychic drama" on a work by Miss Vere Sullivan and Mr. George Brenchley, have been censured for not making clear whether they are for spiritualism or against it. The play takes its foundation on misunderstanding. The play takes its foundation on demonstrable materialisations are post-granted that demonstrable materialisations are possible; and almost takes for granted that they result from communication between two worlds. It does not depend, however, as do the novels of Theophile Gautier, on pure literary force for commanding the audience to believe in the magic. It raises seriously the question as to whether materialisations are genuine communications with the particular spirits whose forms are seen, or whether these forms are merely devices of Satan for plaguing curious listeners at the

keyhole of a sphere in which at present they have no business. The play presents, accordingly, neither the sceptical nor the credulous attitude, but the Roman Catholic attitude to Spiritualism; briefly, that, while Spiritualism is possible enough, faith renders it unnecessary, and enquiry based on religious doubt is a snare, ending in devil-possession and damnation. This is certainly one way of advising weak minds to keep away from it that they may the better get on with their lives, such as they are. For anyone who adopts the sceptical attitude towards Spiritualism, as I do, the play simply provokes dissent at what it takes for granted, and the magic is not powerful enough to sweep the dissent away under the thrills. Thrills there certainly are in the second act, which no doubt grip very strongly anyone whose outlook on Spiritualism is neither sceptical nor Spiritualist. The latter, however, would derive at least some consolation from the possibility of concluding from Sylvia Grey that Spiritualism is not hurtful to strong enough minds and characters. As a play, "Through the Veil" has a very bad first act, which rambles about irrelevantly as regards the rest of the play, is too long, leaves an empty stage more than once, and bears marks of having had humour plastered on it in the effort to lighten it a little. Only two or three of the characters have any human interest: that of the young girl who goes to her death through communicating with her dead twin-brother, and her father, the Vicar. These parts are excellently played by Miss Margaret Delamere and Mr. C. M. Hallard. There is also some human touch in the medium for the few minutes in the last act during which she is on the stage.

PAUL BANKS.

## Music.

Hallé Orchestra: Queen's, January 24.

This orchestra seems to have permanently deteriorated and not to be at all of the excellence that was so admirable when I first heard them a few years ago. Nowadays they sound little, if any, better than the average London orchestra. And, after the Berlin Philharmonic, their defects are particularly noticeable, and of the kind we are so accustomed to here. The meat of the programme was the Elgar Second Symphony, one of the most remarkable works of its kind that exist. After the thin, feeble trickle of an acrid contemporaneity, what a relief to hear a great, generous flood of music, ripe, full, and mellow—the product of a great and powerful mind that has forgotten more than our *petits garçons* quasi *petits maîtres* will ever know. One does not know which is the more impressive, the magnificent richness and mastery of invention, the wonderfully unified yet so varied treatment, the dazzling accomplishment with which all is done. No better index of the quality of this extraordinary music could be found than the juxtaposition of three Strauss early symphonic poems and three of his best known, which were made to sound thin, tawdry, and cheap in comparison. That tremendous pedal point in the second movement, with its overwhelming and torrential impulse, leaves Stravinsky behind, a mere strumming savage. This is invariably the case. One is always finding in older music the source of some noisily heralded "discovery" of some little modern person, whose brain, capable of holding one idea at a time, only exploits that to the total exclusion of everything else, and who therefore carries off the big and noisy success with the audience of half an idea at a time. Some seventeen years have passed since I heard the Elgar, but that passage of time leaves the work more strikingly original and individual than ever, and its technical brilliance

stands out in even greater relief by contrast with the prevailing amateurishness and incompetence which is a great deal more noticeable now than then.

Private Organ Recital: St. Lawrence Jewry, January 25.

This was a short recital by three different organists, designed as an attempt at getting away from the stereotyped and conventional organ recital programme. It can hardly be pretended that the attempt was very successful from the point of view of musical interest, with a dull and empty pretentious composition by a tenth-rate Russian composer, Liapanoff, and a feeble piece of stale diatonic meandering by Milford (?). A piece of Karg Elert, announced as from the *Partita*, was pleasant and musicianly, but not specially interesting. Quite the best item was the last, by Joseph Holbrooke: a brilliant, powerful, original, and daring piece of work, a little marred by too much repetition. Holbrooke could put almost the entire present generation of English composers in his pocket and forget they were there—his handicap is that he has aroused the venom and animosity of certain people by his vigorous and fearless rejoinders to calumny and malicious attacks, and that these certain people do and have done all they know to crush him; further, he has never consented to fawn upon and flatter the "right" people—on the contrary, he has never hesitated to tell the "right" people plenty of home truths in his own forceful and direct way: a sympathetic and attractive figure.

But how can Reger be ignored in a search for unfamiliar works? A whole library of organ works by him, splendid in quality, is unknown here. A whole batch of superb Fantasias or *chorali*, a series of great Fantasias and Fugues: particularly the Symphonic Fantasia and Fugue, Op. 57, Variations and Fugue, Op. 73, the great Introduction Passacaglia and Fugue, Op. 127, the Fantasia and Fugue dedicated to Strauss, Op. 135b, and many others.

KAIKHOSRU SORABJI.

## The Screen Play.

Disraeli: Marble Arch Pavilion.

This is one of the best things ever done by an American producer, but it should be judged rather by the standards of the stage than of the screen. To a considerable extent it represents a development which is neither film nor play, nor a hybrid combination of the two, but the interjection of stagecraft into a new medium. "Disraeli" is a triumph for George Arliss, who not only carries the film but is the film, and whose impersonation, apart from depicting Disraeli, with all his characteristic mannerisms, to the life, is one of the greatest feats of temporary acting. His personality breathes through and steps out of the screen, and so completely atmospheric is his performance that the audience greets his entrances and exits with the applause usually reserved for players in the flesh.

"Disraeli" is admirably directed, with a Pabst-like alternation of scene and incident, excellent editing, and a superb rhythm, which serves to keep the spectator's interest keyed up throughout, so that the film has the extremely rare quality of seeming to be much shorter than it is. A most successful trick of technique is used in some scenes in which Disraeli, at the extreme right of the screen, is seen only in partial profile, while his interlocutor occupies the centre of the stage. The acting is good throughout, but it was a blunder to allot the part of a daughter of a peer of the realm to Joan Bennett, whose unmistakable American accent is almost the only anachronism in what is really an English film made in Hollywood. One can understand that American producers should insist, at the risk of violent incongruity, in selecting a native as the *jeune première*,

but this should have been avoided in a production which has so obviously been made with an eye to the British market.

"Disraeli" is an outstanding achievement, but while it has the fluidity of the silent film and appeals to the eye as well as the ear, it has still not succeeded in demonstrating that the talking film at its best will be able to compare on terms of artistic equality with the best silent films. And take away Arliss, and the result might be a photo-play. With him, it attains the neighbourhood of greatness.

Marianne: Empire.

Hollywood, to use its own vernacular, always keeps us guessing. The makers of "Hallelujah" follow this masterpiece with "Marianne," which is nearly everything that a film should not be and lacks nearly everything it can and should be. This production gives one the impression of being an attempt, and a very unsuccessful attempt, to fuse the characteristics of "What Price Glory" and "The Cock-Eyed World" into a screen play designed to give Marion Davies her first talking part. It is of an almost incredible lack of interest, and completely devoid of dramatic value; runs for nearly two hours, which is excessive even for a screen masterpiece; gives the delightful Miss Davies a role completely unworthy of her gifts; and again shows us the American Army as almost entirely composed of lechers, sodomists and looters. It is difficult to understand how Will Hays, whose functions are those of a species of official purifier of the American screen, can permit of the continued exportation of films showing his countrymen and women in so unlovely a guise. And, if America likes film heroes chiefly characterised by an imbecile vulgarity which plumbs new depths of human unpleasantness, Europe does not.

The scene being laid behind the lines in France immediately after the armistice, Marion Davies must need appear in the guise of a French girl, whose speech alternates between near-English and French. Miss Davies is more successful in impersonating a Frenchwoman when she speaks English than in her French dialogue, which on the private showing of the film was greeted with irreverent laughter. The actors include a gentleman known as Ukelele Ike. The fact that he and similar performers enjoy immense popularity and large incomes in the United States, would alone be enough to make one despair of humanity.

DAVID OCKHAM.

## Mr. Walpole and Mr. Tomlinson.

A review copy of Mr. Tomlinson's new book\* reached the office of this journal before the date of publication. Nothing unusual about that, of course. But already on the jacket were printed laudatory notices by Mr. Hugh Walpole and Mr. J. B. Priestley. Is this quite usual? Advance reviewing is surely something quite novel. It shows how much importance is attached by publishers to the opinions of these two writers. Or at least it shows how determined are the publishers that the opinions of these two writers shall be regarded as important. I hope that Mr. Gerald Gould will not be offended, for he apparently has not been asked what he is going to say about Mr. Tomlinson's book. Neither has the case of Mr. Bennett, it seems. I say, because in the case of Mr. Bennett it is quite possible that he would ask a publisher to go to hell before he would give him what Mr. Walpole is willing to oblige him with: the Puff Preliminary. Are not you tired of having thrust upon you Mr. Walpole's opinions on current fiction? I am. Wherever I turn, on every page of publishers' advertisements, on every other book jacket, I find Mr. Walpole apparently trying to make up my mind to buy so-and-so's latest masterpiece. Mr. Walpole says, "This is a great book." Mr. Walpole says, "That is the finest tale the author has yet written." Says

\* "All Our Yesterdays." By H. M. Tomlinson. (Heinemann. 8s. 6d.)

Mr. Walpole, "I shall never forget Mr. X's glorious work of genius; I cannot forget it (sotto voce) until to-morrow, when I have to review another book which also I can never forget."

Well, books must be sold if authors are to live, and a commercial traveller is as useful to a publisher as to a manufacturer of Tudor furniture. But is it necessary that glib Mr. Walpole, who is obviously an excellent salesman, should expect his trade cant to be taken for good literary criticism? No, no, in honour of the tradition of good criticism, in memory of such names as Dryden and Johnson, Hazlitt, Bagehot, Lamb, and Macaulay, let us state that what Mr. Walpole says about books is the literary equivalent of what the patent medicine man writes on the label of his bottles.

Observe what Mr. Walpole says of "All Our Yesterdays":—

"I think this is Tomlinson's finest book. When I say that I say that it is one of the finest books in modern English. . . This book will be a great and moving success in the year's literature. This is Tomlinson's most personal book and yet also his most universal."

Except that he would not call Mr. Tomlinson "Tomlinson," what tuppenny-ha'penny reporter on a popular London paper but could write that sort of stuff? Mr. Tomlinson, who has an honest respect for literature, must write as if he were one of the contemporary gang at being praised as if he were Miss Ethel Mannin, or the of scribblers, as if he were Miss Ethel Mannin. Nor can I author of "All Quiet on the Western Front." Nor can I believe Mr. Tomlinson will find pleasure in Mr. J. B. Priestley's elegant encomium. Mr. Priestley must have made tons of money out of his essay writing, and his most readable novel "The Good Companions," yet he must needs earn a few more shillings by reviewing a book as good as "All Our Yesterdays" in this office-boy fashion: "This goes to the head of war-books with a bang. It contains some of the best writing of the century—a book that is terribly, wonderfully alive." "Terribly, wonderfully alive; with a bang. "Pooh, pooh," said Dr. Johnson.

What makes it the more annoying is that Mr. Tomlinson's book is a sincere piece of work, and, with certain reservations, is written well.

His purple passages are too self-conscious; Mr. Tomlinson has always admired Joseph Conrad too much; but his narrative prose is very pleasing, if you do not object to his habit of avoiding the direct statement and his excessive use of adverbs and adjectives. Turning the pages, I note this sentence: "There was no sound in Amiens but the dull rumbling of ponderous wheels like the *sombre* rolling of a slow drum" (my italics). That is pure Conrad, is it not? Just above this sentence the author has described Amiens cathedral, when seen in starlight, as a "greater shadow towering 'from basal gloom'; also as a 'vast structure in a city lost in night.'" He proceeds thus: [As we looked, "numberless figures began to peer down mutely to above us. I could see them now, peering from the shelves and pre- above us, the wayfarers of a later time, from the shelves and pre- ciples of that settlement of night. A nearer face leaned out of its medieval niche and grinned at us. Out of the obscurity of this towering survival of ancient faith. . . ."] And so on.

Is this good writing? Or is it merely the result of too diligent a search for treasures of jewelled phrases? In a few lines Mr. Tomlinson calls a cathedral (1) a greater shadow, (2) a place where kings were crowned, or made peace, (3) a stupendous berg, (4) a settlement of night—whatever that may mean in relation to the "shelves and precipices" from which the gargoyles leer, (5) a towering survival of ancient faith. And in the next paragraph he calls it (6) a transcendent enigma. Really, you know, it does rather remind you of the lady who wears all her rings, bangles and necklaces just to show you she possesses them.

I have not yet dealt with the book as a work of fiction. But I need not worry. It is not a story; and only in the widest sense of the word can it be described as a novel. Like the late C. E. Montague, Mr. Tomlinson is a fine journalist; but he is not an artist in the sense that he can create living characters. Much as I appreciate Montague, I cannot read his fiction without discomfort; and I have the same feeling about Mr. Tomlinson. I enjoyed a good deal of "All Our Yesterdays" because I could recognise and appreciate the ironic, sceptical mind which it reveals. Especially did I enjoy the first part, which is set in a period just previous to the war, and which gives us, amongst other delectable things, some malicious pictures of Fleet Street. But that large part of the narrative which concerns itself with the war seems to me to grow progressively uninteresting. I had great difficulty in reading it and only

finished the book because I had some respect for the man when I had lost patience with the novelist. It is to be regretted that Mr. Tomlinson does not choose to be bounded by the obvious limitations of his talents.

J. S.

THE MORTGAGING OF INDUSTRY.

"If it be a salutary principle in the investigation of historical transactions to be careful in discriminating the cause from the pretext, there is scarcely any instance in which the application of this principle is more fertile in results than in that of the Dutch invasion of 1688. The real cause of this invasion was financial. The Prince of Orange had found that the resources of Holland, however considerable, were inadequate to sustain him in his internecine rivalry with the great sovereign of France. In an authentic conversation which has descended to us, held by William at The Hague with one of the prime abettors of the invasion, the prince did not disguise his motives; he said, 'Nothing but such a constitution as you have in England can have the credit that is necessary to raise such sums as a great war requires.' The prince came and used our constitution for his purpose: he introduced into England the system of Dutch finance. The principle of that system was to mortgage industry in order to protect property: abstractedly nothing can be conceived more unjust; its practice in England has been equally injurious. In Holland, with a small population, engaged in the same pursuits, in fact, a nation of bankers, the system was adapted to the circumstances which had created it. All shared in the present spoil, and therefore could endure the future burden. And so to this day Holland is sustained, almost solely sustained, by the vast capital thus created which still lingers among its dykes. But applied to a country in which the circumstances were entirely different, to a considerable and rapidly increasing population, where there was a numerous peasantry, a trading middle class struggling into existence, the system of Dutch finance, pursued more or less for nearly a century and a half, has ended in the degradation of a fettered and burthened multitude. Nor have the demoralising consequences of the funding system on the more-favoured classes been less decided. It has made debt a national habit; it has made credit the ruling power, not the exceptional auxiliary, of all transactions; it has introduced a loose, inexact, haphazard, and dishonest spirit in the conduct of both public and private life; a spirit dazzling and yet dastardly; reckless of consequences and yet shrinking from responsibility. And in the end it has so over-stimulated the energies of the population to maintain the material engagements of the State, and of society at large, that the moral condition of the people has been entirely lost sight of."—From Disraeli's Sybil.

SAMUEL TAYLOR COLERIDGE ON PROGRESS BY FORGERY.

"If by the display of forged Bank notes a speculator should establish the belief of his being a man of large fortune, and gain a temporary confidence in his own paper-money, and if by large wages so paid he should stimulate a number of indolent Highlanders to bring a tract of waste land into profitable cultivation, the promissory notes of the owner, which derived their first value from a delusion, would end in representing a real property, and this their own product. A most improbable case! In its accidental features, I reply, rather than in its essentials. How many thousand acres have been reclaimed from utter unproductiveness, how many doubled in value by the agency of notes circulated them, or at best on capital afloat and insecure."—Samuel Taylor Coleridge, A Lay Sermon, addressed to the higher and middle classes on the existing distresses and discontent, 1817.

"The truth is that what real business is done by the nation is done through its civil servants. The ordinary M.P. hardly ever helps; he nearly always hinders. It is not his fault. He is not allowed to help. So long as he votes . . . at the right time and in the right lobby. . . . An M.P. should be required to live in the constituency he or she proposes to represent. . . . No one should be permitted to be a Parliamentary candidate unless he has first proved by examination that he understands at least the elements of finance economics and the other subjects on which he will be called upon to give judgment. If you think this is fantastic, go to the House of Commons and listen to some of the speeches. They have to be heard to be believed. I have never been able to understand why glib ignorance should be a passport to Westminster."—From an article by E. Roffe Thompson in John Bull, January 11.

Reviews.

Jesus Christ at Work. By Richard Arthur Bush. (The Two Worlds Publishing Company, Ltd. 4s. 6d.)

This book will, no doubt, rejoice the hearts of Spiritualists, while leaving the rest of the world unmoved. The ideas in it are trite, the style slipshod and ungainly, and it contains, moreover, many errors in spelling, which, of course, may be the fault of the printers. It consists of communications from the spirit-world obtained by means of the "Ouija," and it is amusing to note how all the spirits seem to share the author's naive prejudices and narrow authoritarian outlook. One of the spirits is known as The Uncle, but apparently spirit uncles are not such delightful relatives as those human ones who used to give us odd half-crowns when we were young. But let this ghostly (or ghastly?) uncle speak for himself:—

"To-day I break off my narrative to speak to you on another subject, about the principles of wise assistance of the needy. In the first place there must be a desire to do better. That is effected by us here mostly by working on the experiences and sufferings of the offender. He has probably not come to you for spiritual advice, but for substantial help materially. The easiest method is to give some trifling sum of money, the loss of which one does not feel. A better way is either to find him work or to put him into the way of earning a living . . . etc." (Italics mine.)

The narrative, from which he speaks of breaking off, is all about God, four angels in a cloud, and the leadership of Jesus Christ. "Almost," Mr. Bush, "thou persuadest me to be a Spiritualist," if only in the hope of learning what "the Master" said to this pompous prig of a servant, when he heard the above travesty of his teachings. I feel that an apology is due for the length of this review, which the book certainly does not merit.

Naval Disarmament. By H. Wilson Harris. (George Allen and Unwin. 3s. 6d. net.)

This is a handy little conspectus of facts for anyone who wants to know about the problems now being investigated by the Naval Conference. Mr. Harris begins with the situation "before Washington" and brings his history up to the London Conference. An appendix gives the "Evolution of Naval Policies." The book contains only 122 pages, and the author is to be commended for the lucid condensation of the intricate subject he deals with. What the man in the street will do with it is doubtful. It will, of course, enable him to take part in polite conversations about naval policy. It may give him the feeling that the question is one for naval experts only. It certainly will not help him see a way out, because the question is not related by the author to these finance and economic problems which give rise to the military suspicions and jealousies. Students of the credit question will find the book useful if they want to cram up the subject for reference while it is topical.

Alice in Wonderland, Through the Looking Glass, and other Comic Pieces. By Lewis Carroll. (Dent: Everyman's Library, 2s.)

This new edition of the classic work of the eminent mathematician and logician, C. L. Dodgson, otherwise known as Lewis Carroll, is to be welcomed. The Alice saga is here increased in interest by the original illustrations to the "Wonderland" story produced by the author himself. The volume also includes two nonsense verses, "Phantasmagoria" and "The Hunting of the Snark," and a "Tangled Tale" which involves a number of complicated problems in arithmetic, algebra, and geometry. It is preceded by a brief life of the author and a complete list of his works.

Modern Prose Essays. The Mitre Press. 7s. 6d. The anonymous editor of the essays in this volume makes the quaint remark that each one "has been selected for its interest rather than its significance." I can quite believe it. No one could suppose the items in this book signified anything; the wonder is, who is it believes they are worth publishing at seven and sixpence? Really, it is preposterous. Sixpence would be an ample charge.

LETTERS TO THE EDITOR.

DUPLICATION OF INSURANCE-PREMIUMS. Sir,—In your issue of January 23 you emphasise the point that compulsory insurance of pedestrians' third party risks would duplicate the insurance already paid for by the motorist. You say, as if it were something hitherto un-

known, that both parties would be insuring the same car and against sustaining the same injuries.

There would be nothing new in such a duplication. By the principle of subrogation every insurance company reserves the right to recover from a third party if one is available, quite regardless of the equity of the case. For example, a firm of transport contractors insures against damage to cargo; consignors of goods frequently do the same; and if the job is handed by one transport contractor to another, the odds are that both insure the goods, or if the carrying contractor does not, then the company tries to recoup itself from him.

Inter-company agreements, which in the motor business are very widespread, present many examples of similar duplication. Accurate information about the details of these agreements is exceedingly difficult to obtain outside professional circles, but, on the whole, they operate against the interest of the insured public. The 50/50 agreement provides an obvious incentive to insurance companies in combination to beat down the claims of insured persons to the lowest possible figure. The "knock-for-knock" agreement, under which two companies undertake to be responsible only for their own insured's damage, eliminates the question of blame altogether, and piles up a heavy claims' experience against the careful and blameless driver no less than against the negligent driver, and both have to pay increased premiums at renewal date in consequence.

If A insures against third party risks only and runs over B, who has a personal accident policy, the premium is duplicated. If A insures comprehensive, and collides with B's car, which is insured third party, and B is to blame, A's damage is insured by both. One could multiply examples indefinitely.

Compulsory insurance of cars and pedestrians eliminates any possibility of loss to the Insurance Trust. Whenever there is an insured third party available, that is, whenever two parties are concerned in an accident, there will always be two premiums paid for one risk. The idea is ingenious, but it is merely an extension of existing practice.

PREMIUM.

BANK SPEECHES.

Sir,—I have been puzzled over a passage in the recent speech of Rt. Hon. Reginald McKenna, where he states that depositors "would not rest content unless confident that their money was being wisely used." Hitherto he has insisted upon it that "Every bank loan creates a deposit," and this surely implies that banks never lend the money of their depositors; indeed, on page 5 of his "Post-War Banking Policy" he states: "When a bank makes a loan the customer will draw upon the loan by a cheque, and the drawer will not have reduced any deposit already in existence."

As I find it impossible to accept both statements, your guidance will be appreciated.

ERNEST A. DOWSON.

[(1) We refer in an article elsewhere to Mr. McKenna's statement that there is a limit to the amount of credit which banks may issue. We think that this article resolves the contradiction. There is no technical limit, but there is a political limit. (2) We do not believe that depositors ever necessary about how their money is used. The one thing that they can draw it out when they want to. (3) It looks to us as if there had been a political limit imposed on the quantity and nature of the truth which Mr. McKenna is permitted to disseminate.—Ed.]

JOAN OF ARC.

Dear Sir,—The admission of Mr. Roland Berrill that the fourteenth edition of the Encyclopaedia Britannica is a "very dismal" sign of the times is a naive and revealing scientific, and refuse to face facts—all the facts, and not just those from which happen to be convenient? He carefully refrains from telling us why, if we reject the traditional view of Joan, we should continue to admire her; and he is also very guarded in his criticism of Mr. Belloc's book, and history." He hints that Mr. Belloc has told lies, assuming that we have only to be told that for us to take Mr. Berrill's word for it.

The only reasoning Mr. Berrill gives us is that Mr. Belloc and therefore wrong. No attempt is made to assess their case, as all other cases, on its merits. The primary assumption of Mr. Berrill is that religious faith and the irrational factor are alike and to be classed together. This is not logic, but prejudice; and we must not be surprised at the somewhat

fog-like melancholy which results from arguing upon such a confusion, and which leaves him lamenting.

In absence of all proof to the contrary we must, if we have any trace of a judicial mind left in us, admit there is at least the faint possibility that the traditional Joan is, after all, perhaps the true Joan. This is, of course, a horrid thought, and will, I know, be sternly put aside as a temptation to be resisted.

If only the rationalists would be rational enough! They stop just where they should go on. Mr. Berrill—and others—must think again.

MARJORY GRACIE.

THE ECONOMIC PARTY.

Sir,—It is a little surprising to find the word "quarrelling" introduced into what is surely a perfectly legitimate, logical, and necessary classification of ideas.

When, in 1859, Charles Darwin published his Origin of Species, the facts presented and the argument adduced in support of the evolutionary theory set the whole civilised world a-quarrelling. Quite honest minds resisted the new knowledge instinctively and irrationally. The contentions of the Darwinian Evolutionists led to the most bitter quarrelling. The orthodox must have felt that "a good deal of provocation thereto" came "exclusively from the sponsors of" the Evolutionary Party. Was it worth while?

There is a very great difference between a logically conducted struggle of ideas and quarrelling.

Quarrelling begins, as a rule, when both sides abandon the reasoned consideration of the sequence of argument and, finding themselves unable to grapple with it, muddled by the intricacies of the mental process, or stung by some clear, sharp word, fall back upon what are rightly called "personalities," usually of a disparaging or offensive nature.

There has been no quarrelling, and people who are of the slightest use cannot be affected by "provocation thereto."

The idea-conflict will develop inevitably, whether it happens to "give off" noxious emotional gases of a somewhat quarrelsome nature or not.

For my part, I am not to be drawn into such fetid atmosphere, but, just because weak and unformed personalities may fall into quarrelsome mood, that is no good reason for slinking away from the logical point of conflict.

JOHN HARGRAVE.

[We suppose a good many people are potentially willing to buy a recipe for making diamonds. But not in a sealed envelope. According to our knowledge those who are holding aloof from the E. P. are doing so mainly because they are not sure what it is they are asked to buy. To suggest that such people are "slinking away from the logical point of conflict" is a provocation to quarrelling.—Ed.]

SO-CALLED "PROGRESSIVE BIRTH CONTROL."

Dear Sir,—My attention was only drawn to the articles and correspondence on the theme of abortion under this misleading title of "progressive birth control" so late that I purchased a set of your papers containing it all just after the correspondence was closed, but as I have been publicly challenged and blamed at a meeting of the Hampstead Ethical Society (where I was lecturing on another subject) because I did not repudiate abortion under the misleading name of progressive birth control in your columns, I hope very much you will reopen the correspondence sufficiently to insert this letter. In the name of the Committee of the Society for Constructive Birth Control, who have so valiantly fought so hard and successfully to get the facts of constructive birth control established, I repudiate and deplore the confusion created by the misnomer of abortion under the title of "progressive birth control." While we express no view as to the desirability of women being able to obtain abortion under proper surgical conditions, we feel it would lead to nothing but reaction and individual disaster that the public mind should once more be thrown back into confusion, and the poor ill-treated and misled by those purporting to provide "birth control," yet dealing in an inevitably septic manner with abortion. Those "advanced" women who desire voluntary abortion should call it voluntary abortion. It is quite legitimate to work for a change of the law in an open manner: but to undo the good work for the control of conception by confusing the issue, and in a mean, underhanded way attempting to get the support won for birth control applied to its absolute reverse, namely criminal abortion, is to be deplored and repudiated by all seeking the welfare of the country.—Yours faithfully,

MARIE C. STOPES,

President, Society for Constructive Birth Control and Racial Progress.

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