

THE NEW AGE

INCORPORATING "CREDIT POWER."

A WEEKLY REVIEW OF POLITICS, LITERATURE AND ART

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NOTES OF THE WEEK.

Some gossip writer in the *Liverpool Post* of July 4 says that he is told that behind the movement now progressing for a Trade Conference between Canada and the Barbadoes lies a project that Canada should absorb the West Indies. Supporters of this idea feel, he says, that Canada could develop the islands much better than Whitehall seems able to do. Our readers have had this idea before them twice previously in these columns, and our chief reason for noticing it is to remind them that dollar-diplomacy is still keeping it alive. Since Canada cannot develop herself without recourse to New York dollar-loans there is no prospect of her being able to take on the development of the West Indies without further financial assistance from America. London as a lender is ruled out by the fact that Mr. Snowden pleaded financial inability even to grant adequate relief to the West Indian planters in the recent crisis. Britain could hardly now cede the West Indies to Canada and then lend money to Canada to develop the territory. So we are bound to assume American finance coming into the game, in which case the West Indies would come under the control of America. Now the West Indies is of no value to America as an economic unit, but is of exceedingly great value as a strategic base, for its acquisition would complete the American military hegemony of the Caribbean Sea and consolidate the safety of the Panama Canal in the event of hostilities with Britain.

One of the problems of Imperial politics has to do with the nature of the war-commitments of the several Dominions to Great Britain apropos of the question whether, in case of hostilities, they would be free to declare themselves neutral or would be obliged to become combatants on Britain's side. Considering the case of Canada it is theoretically possible that she might wish to be neutral in an Anglo-American war. If so, and she had previously absorbed the West Indies, her declaration of neutrality would cover that territory as well as her

own, and she would be obliged to see that the West Indies afforded to the United States' naval and air forces such facilities as are customarily furnished by neutrals to belligerents in wartime. This is the very least that America would demand. But America might demand the cession of the islands by Canada as a condition of accepting Canada's declaration of neutrality. Or America might even demand that Canada herself forthwith become merged into the United States Federation. In either of these two events the West Indies could be used as an American naval and air base against Britain. Of course Britain would have the right to regard Canada as an enemy belligerent; but what use could be made of that?

We are not sufficiently instructed to say what might probably happen, as we are not privy to the secrets of the Foreign Office; but from our observation of the evolution of the laws of war (and current diplomacy) as practised in time of war—a very different thing than as conceived and idealised in time of peace—we submit that in the next war "possession" will be all the ten "points of the law." Hence the conclusion that Britain's policy is to hold on to the West Indies. It is also particularly the duty of the heads of the King's Forces, who are charged with the technical responsibility for assuring the safety of the Empire, to take a wider view of that responsibility than hitherto, and to use every sort of influence they can to get the right Ministers appointed to the key positions of any Cabinet that may emerge, irrespective of its Party complexion. It would indeed be a strange condition of constitutional affairs if Lord Rothermere could do this while Lord Beatty and Lord Jellicoe could not. Especially so considering that Lord Rothermere's policy of protecting the Empire fiscally is bound to bring war nearer in the same measure as he is successful. If it happens that there are an embarrassing number of acceptable Ministers available for these key positions in the Cabinet, the difficulty can be settled if the heads of the Fighting Services blackball all the notoriously unacceptable

Ministers, and back this up by declining to co-operate with them. The constitutional law that public opinion must settle such matters is no longer in operation any way. We maintain that the consultation of the electorate by *any authority at all* on matters beyond the competence of the electorate to decide is equivalent to ignoring the electorate. And when in addition that authority is a newspaper magnate whose consultation takes the form of an emotional drive of millions of ignorant readers to poll for his chosen policy, we declare that the Election itself is a *coup d'etat* and the emergent Government a privately contrived Dictatorship. It is no use pointing out that in elections the public "hear all sides"; for the more sides they hear the greater their mystification.

Hence it is that we witness such absurd spectacles as, for instance, the Socialist-pacifist section of the community throwing up a Chancellor of the Exchequer who is at one and the same time the most hard-faced financial authoritarian that the country has seen, and (for that very reason) one of the most potent influences endangering the peace and security of the Empire. Mr. Snowden ought to be on the black-list. His attitude on the West Indian planters' appeal for relief in their financial emergency is a case in point. He made an offer so niggardly in its dimensions that it evoked universal derision, and has even constrained some of the Bishops now attending the Lambeth Conference to form themselves into a deputation to see if something tangible can be done to save the impending ruin. In the meantime, as we have seen, America is interpreting this impending ruin as evidence that Britain is done for and is incapable of developing her possessions, and insinuating how much better it would be if, as Dr. Page would say, this possession of the British Empire were to "fall into our hands." Mr. Snowden's constant reiteration of Britain's inability to "afford" this or that is thus playing straight into the hands of big business in New York and high strategy in Washington. If we had (as we shall yet have) a Government representing a dominant coalition of functional technicians, this game could be spoiled without any delay. We want the soldier, the engineer, the business organiser—*men who measure and handle things and forces*—at the top, and they are quite capable of proving that the "poverty" of Britain is a myth emanating from a microscopic section of society which spends its days shuffling and juggling with the nation's missing purchasing-power.

The *Northern Whig and Belfast Post* has discovered that there is a "recent" tendency to blame banks for the trade depression. In a leading article on July 4, entitled "The Banks and Industry," it describes and comments on what it calls the "Social Credit Reform idea" to the length of more than a column. What it really does describe is what the Social Credit student would call the producer-credit idea. And its one objection is that "an increase in paper currency would not mean an increase of wealth"—which is correct so far—"unless the currency possessed a gold equivalent"—which is entirely wrong besides being irrelevant to the subject of its article, namely, the soundness or otherwise of "stabilising prices" by "more liberal issues of credit." It would be permissible enough for the writer to argue the necessity for some ratio of gold-cover to currency and credit, but it is not permissible for him to argue that the presence or absence of an adequate gold-cover is any part of the reason why expanded credit means higher prices. Prices are not automatically responsive to gold-ratios. Even if the total credit circulating in this country were replaced by golden

sovereigns, the phenomenon of rising prices would still follow an increase in the number of sovereigns put into circulation. And the same problem would persist if for every £1 of credit circulating the Bank of England held £1 worth of gold. Further, and as a matter of fact, the Federal Reserve Authorities, at one time when they were in a position to expand credit considerably without lowering the gold ratio (because of the large increase in their gold reserves) refused to do so, giving as an explicit reason that if they did the expansion would cause inflation. Of course it would; for Price is fundamentally a reflection of haggling between sellers and buyers; and since neither a seller nor a buyer haggles about how much gold shall change hands (for the adequate reason that neither has a chance to get hold of any gold) the quantity of gold in existence does not come into the question. All the haggling takes place in respect of currency or cheque-money; that is, in respect of the forms of credit customarily handled by the community; and the resultant price-level registers the buying and selling transactions in terms of the customary credit. If the quantity of credit brought into the market by buyers increases while the quantity of goods offered by sellers does not increase, the price-level will go up, and all the gold in the world would not stop the process.

It is of no use our saying any more for the benefit of the *Northern Whig*, because it is easily obvious that its confused criticism is merely put in as a perfunctory introduction to a puff of the banks which occupies its concluding and longest paragraph. The banks, for instance, have always done all they can with "their" credit within a "reasonable limit"; they have never refused to finance enterprises offering a "fair prospect of success"; "our Northern energy and brains would have been powerless" without "their" [the banks'] credit. This line of argument depends upon the premise that bank credit is a form of private property strictly limited in quantity by the operation of economic law, and is only acquired by the bank by hard, patient effort in earning it as profit like all other enterprises. This is very much like asserting (1) that the River Thames is the property of the lock-keepers; (2) that they have the right to decide how often they will pass boats through; (3) that that right ought to be exercised not by reference to how frequently the boats arrive to go through, but by reference to the necessity for not risking "their" water!

We print hereunder the announcement of the Bankers' resolution of last week as it appeared in the *Journal of Commerce* of July 4.

The Press Association is officially informed that at a meeting at Hambros Bank, at which Sir Eric Hambro presided, and at which the following were present:—Mr. Walter Whigham, of the Bank of England; Sir Herbert Lawrence, of Glyn's Bank; Sir Harry Goschen, of the National Provincial Bank; Mr. R. H. Tennant, of the Westminster Bank; Sir George May, of the Prudential Company; Lord Ashfield; Mr. E. R. Peacock, of Baring Bros., Ltd.; Mr. Beaumont Pease, of Lloyd's; Mr. Vivian Hugh Smith, of the Morgan Grenfell Company; Lord Glenconner; Sir Alan Anderson; Mr. Reginald McKenna; Sir Harold Snagge; and Lord Bearsted, etc., the following resolution was passed:—

"It is resolved that urgent measures for the promotion of inter-imperial trade are needed to secure and extend the market for British products, both at home and through export trade. Bitter experience has taught Great Britain that the hopes expressed four years ago in a plea for the removal of the restrictions upon European trade have failed to be realised. The restrictions have materially increased and the sale of surplus foreign products in the British markets have steadily grown. While we retain the hope of an ultimate extension of the area of free trade throughout the world, we believe that the

immediate step for securing and extending the market for British goods lies in reciprocal trade agreements between the nations constituting the British Empire. As a condition of securing these agreements, Great Britain must retain her open market for Empire products, while being prepared to impose duties on all imports from all other countries."

A copy of the above resolution has been sent to each of the party leaders.

It will be as well for readers to note that the whole resolution down to the fourth line from the end is in the nature of a preamble. The last sentence is all that matters; and when scrutinised it tells a different story than when scanned. Whereas it has been publicly debated as if it was a definite call for Protection, verbally it calls only for this country to be prepared to adopt Protection. So all that the resolution commits these bankers to is an affirmation that in principle they are not rigid Free Traders. As concerns bankers in general this affirmation need not have been made, for most of them are already financing protectionist countries. But if the affirmation turns out to represent the policy of London bankers it becomes interesting. The classic argument in favour of Free Trade for Britain has been that under it the City of London became the financial centre of the world. If that is true, the affirmation implies that London bankers have abandoned their claim, or hope, to retain their traditional pre-eminence. We need not stop to argue whether the pre-eminence of the City has ever increased the prosperity of the country; all we need point out is that the London bankers insisted that it had, so that if they now profess an open mind on the Protectionist principle they provoke the logical imputation that their attitude is based on other considerations than the prosperity of Great Britain.

If so they might plead that, since the war, all banking had been trustified and centralised, with the result that competition between national banking units had been largely eliminated, with the secondary result that London banking was prevented from exploiting to the full in the world's financial markets the potential superiority in competitive efficiency which Free Trade conferred upon it. That is to say; that while Free Trade was inherently the best policy, external politico-financial *force majeure* had compelled Britain to continue to incur the initial disturbances arising from a system of free imports, but to forgo the more-than-compensatory ultimate advantages which once made (according to theory) those disturbances worth while. That would be a coherent defence, and if it were formulated the public would have little difficulty in finding evidence to support it. But these bankers never speak frankly. All they tell you is to leave it to them: they are doing their best.

Several of the foremost exponents of Free Trade doctrine, while professing themselves hostile to Protectionist doctrine, have nevertheless argued in terms of Protectionist philosophy. In one breath they would say that the Protectionist principle was vicious, and in the next that Free Trade was a perfected method of applying the principle. For example, when Mr. Chamberlain was saying: "Let us keep our trade balance on the right side by means of same result could be achieved more efficiently by means of the *exchanges*." Observe that the whole controversy was about two alternative methods of reaching the same objective—a pig-headed objective, as we are realising in these days. The Protectionists said: "Let politics do the job," and the Free Traders replied: "Let finance do it." This, incidentally, explains why the City was "Free Trade"; for quite apart from the question which method

might in itself be the better, the banker would naturally choose that which left him in control without the interference of the politician.

In the days of which we speak—nearly thirty years ago—the public knew none of the tricks of the credit-trade. So they saw only the immediate application of the Cobdenites' financial logic on the doctrine: "Protection by exchange-rates," and did not realise its wider implications. They saw, or thought they saw, how movements in the exchanges would in the long run compel the protected foreigner to buy British goods no matter how high his tariffs. The force of the supporting reasoning, however, depended on the assumption (1) that exchange-rates automatically and accurately reflected the degree of unbalanced selling or unbalanced buying, as the case might be, of any of the countries engaging in international trade; and (2) that the movements of the exchanges automatically restored the balance. In a word, self-adjustments in the price of money would frustrate all attempted fiscal interferences with the flow of goods, and would thus maintain a constant equilibrium and give the Free Trade country its place in the sun.

It will indeed be interesting to see if the Free Trade exponents to-day advance such a theory. For if there is one thing that has been clearly established since, it is that Finance can and does move the exchange rates without necessary reference to the concurrent exchanges of goods. For instance, Mr. Norman's visits to New York to get Mr. Benjamin Strong to "peg" the Sterling exchange at certain figures from time to time proves the power of Finance to establish a false rate when it chooses. Again, when Germany was inflating her currency, marks were hammered down by Anglo-American banking interests to a rate practically equivalent to zero—a rate which, on the old Free Trade theory, could only be justified on the imaginary hypothesis that Germany had been importing everything and exporting nothing for the last century. A little reflection will show that while banking interests retain this power they can dispose the allocation of international trade while the politicians can only propose it. The moral for Britain is that before adopting a new fiscal policy in order to get more trade, she had better enquire whether the world-trust of international bankers have endorsed her intentions. The probability or otherwise of an affirmative answer may be resolved by reference to the two facts, that American trade stands to lose by Britain's adoption of protection, and that American finance dominates international banking policy.

Here is a sample of what modern journalism thinks fit to offer the public:

"Only half an hour after the subscription lists had been opened to-day to the public the London Electric Railways had obtained the £5,000,000 needed for their big extension programme. This fulfilled the optimistic predictions made in the City last evening and implies that money flowed in from investors at the rate of over £160,000 a minute. . . . Brokers interpreted it as a sign that there is plenty of money ready for investment in the right type of Stock Exchange security."—(Our italics.)

This appears on the front page of the *Evening Standard* under the signature of "A City Correspondent" and is headed by the title: "£5,000,000 In Half an Hour." Why not "five millions a minute"—or second—or any other rate of speed. For a frank announcement might run something like this:

A week [or two, three or any number] before the subscription lists were open to private investors the London Electric Railways had obtained the £5,000,000 needed etc. etc. from a group of London banks. These banks are willing to dispose of a certain proportion of their shares to private investors. If the total applications do

not exceed the number of disposable shares, allotments will be made in full: if they exceed it, allotments will be reduced proportionately.

It may be—nobody in front of the stage can know—that in this instance the banks have no particular wish to retain any of the shares if the public are willing and able to buy them: that would depend upon considerations of policy. But if so, it does not affect the truth that when tight monopolies like the L.E.R. invite public subscriptions they do not have to rely on the public for a penny. The brokers mentioned by the *Evening Standard's* correspondent as having concluded that there is "plenty of money ready" for investment in the "right type" of Stock Exchange security, were quite right. There is: but it is not ready-made money in the bank-accounts of private individuals: it is money "in the piece" ready to be "made up" as soon as the banker chooses to pick up his pen. To any concern proposing to raise capital from the public the banker's nod is as good as the chink.

Whenever bankers thus directly underwrite an issue the "public" cannot help over-subscribing. And whenever a case occurs where a public flotation fails and "leaves the underwriters to carry" so much of the stock, the reason is either that the flotation has been attempted without the banks' approval and support (which practically never happens when large sums are in question) or that the underwriters (with the banks behind them) have gone into the venture without expecting to place the whole issue. Again, the information as to whether an issue has been a "success" or a "failure" is given, or not given, to the public according to the discretion of the financiers. And when volunteered, the information cannot be tested nor any figures checked. The unsophisticated observer, while being at no loss to see good reasons why the success of an approved flotation should be advertised, may be puzzled to account for the voluntary announcement of a failure. Why, he might well ask, should bankers or their financial agents who, by hypothesis, have approved a flotation, not only neglect to use their power of creating new money to make it a success, but go out of their way to advertise the resultant failure? Well, without access to all the secrets of finance, we cannot give a complete answer. But an answer which will cover a considerable number of such cases is that political motives are behind these voluntary announcements of failure.

There are cases where the banks may disapprove a flotation, but, for prudential reasons, may not desire to veto it. Such reasons might arise in the case of a Government which required to raise money to carry out some project which was generally desired by its constituents. It is easy to imagine that the bankers might disapprove the project, and yet not wish to take the responsibility and incur the public odium of frustrating it, even passively. Very good; they would "do their best to help." They would instruct the Financial Press to give the flotation a favourable reception; they would tell their branch establishments to handle the prospectus, to recommend the issue to customers, and to receive and transmit applications and subscriptions; and so in these ways they would, to all appearance, be giving the flotation every possible chance to win on its merits. But here comes the vital point. *They need not themselves make formal application for stock.* In that case the result of the issue would depend on the total of *bona fide* applications from ordinary investors; and the odds are that this total would fall far short of the issue. Upon that the story would be released to the Press, and the public in general would get an all-talking picture of a body of honest, enterprising gentlemen called underwriters being left to support the failure of the Loan. And supposing all this took

place in the country ruled by the Government in question, the effect would be to discredit both the project and the Government in the minds even of people who had previously had faith in both. Private investors in the Loan would get the jumps about what would happen to the price of their stock. As a result the Opposition to the Government would exploit the situation and might even be able to get the project turned down without waiting to get the Government turned out.

We recommend our friends in the Australian Commonwealth to devote a little reflection to these matters. Assuming the report to be true that Australia is to be cut off from borrowing from foreign money markets for three years, she must either not borrow at all or must borrow internally—and from the Australian people, because the Commonwealth Bank has declined to increase the Government's overdrafts. It is difficult to see how the Australian people will be able to lend money to the Government, threatened as they are with (we have read) £14,000,000 extra taxation, and at a time when the recent raising of import duties is tending to raise the cost of living. The investing-classes, who are the employing classes, may, in some quarters, make more money behind the tariff, but as the rise in the cost of living will involve wage-increases generally, there seems no margin for new investment in prospect. Everything seems to depend upon whether the present, or any alternative, Government can pay its way without borrowing and yet avoid precipitating grave disorder. We see comments in the London Press suggesting that in the Central Reserve Bank Bill there are certain clauses designed to give the Government greater freedom in credit-policy. We hope that this is so. Events are bound to compel the Government to raise money by other means than taxation. If by that time it should be in a position to make the Commonwealth Bank increase its advances, well and good. If not, and it has to resort to the method of issuing an internal Public Loan, the results ought to be watched very carefully in view of what we have been saying, and also of what follows.

The Commonwealth Bank, in putting a stop to Government overdrafts, has led people to suppose that it has come to the limit of its capacity to lend. Fundamentally that is nonsense; but it is not even true under the existing circumstances. The Bank, though refusing to lend more credit to the Government, is prepared, if necessity arises, to lend credit to people who lend to Government. Such necessity would, of course, arise if events threatened the collapse of government altogether, as they easily may. The reason is this: that, as we hope we made clear in our analysis of the Australian debt last week, a Government overdraft is fundamentally a debt due by a Government (representing the whole people) to itself (representing the whole people). With the common consent of the investing, employing and working sections of the community, the Government could wipe out the debt. And no section would withhold consent if it understood the reasoning on which the extinction was proposed—and nothing would unite them in listening to the reasoning as would an emergency such as we have postulated. In that event the bankers' favourite boggy-word, "Repudiation," would be seen to be the stick-and-turnip that it is. The community could lay the ghost without going up to it.

This is why the Bank is willing to finance Governments indirectly by loans to people long after it stops financing Governments directly. This indirect lending is the sheet over the stick-and-turnip. It creates a ghost which the people could lay all right if they

went up to it—but that is the trouble, they are frightened to go. In other words, whereas a community may unitedly impugn the validity of a debt due to a bank, the moment you make the remotest suggestion that the validity of a debt due to investors may be impugned, then the investing class refuses to listen, and even the non-investing class distrusts your knowledge or your motives. If either were to hear you out this premature misunderstanding about "Repudiation" would be "laid"—but no; they all stand well away from the ghost and "nawbody daasn't even throw a stoan at'n."

It will be seen now that the bankers' policy of "throwing Australia on her own resources" means fastening Australia's future debts on Australian investors. This puts the banks in a stronger position. The money they lend is better secured. For the security offered by a Government to the banks is only its power to compel people to pay taxes, and in the event of an emergency, when there may not be a Government (or if there is, its power is effectively resisted) the security vanishes; whereas in the case of bank-advances spread over thousands of private borrowers, the banks can drop on them singly at any time they like and retire their loans—for in practice the money would have been lent on other security as well as the hypothetical Government loan. And from this point of view it is interesting to reflect that in the supposed case of a suspension of tax-collection there would be so much the more credit temporarily circulating, and this could be tapped by the bankers before the Government resumed its collection if they were smart on getting in their loans—which they always are. Thus the "service of the debt" as they call it would have been ensured, and the people who on its resumed tax-collection would be its own officials and employees and private contractors. To sum up in a Micawber formula:—Debtor, the Government; creditor, the Banker . . . result, Cancellation and Happiness. But Debtor the Government; creditor, the Investor . . . result, Confiscation and Misery.

The *bona fide* investing classes speaking comprehensively are harmless animals. It is an illusion to suppose that they are parasites on the rest of the community. They feed on each other. It is an exciting game because no one of them knows whether he will come upon a meal or become a meal. The profits of the successful reflect the losses of the unsuccessful, very much like what happens in the Calcutta Sweep, except that as concerns the Sweep the whole sum put up is distributed again less a known percentage, whereas goodness alone knows what proportion of investment-money goes out of circulation altogether in repayments of bank loans. Many of our readers will not be familiar with Mr. Frederick Temple's pamphlet (now out of print) *War Finance and the Worker*. He was an early advocate of Trade Union Banks, and himself founded the National Co-operative Bank, Ltd., in the hope that the Trade Unions would one day recognise its potential usefulness and take it over. Needless to say the bank has long since disappeared. The pamphlet was written in May, 1916. Here is an extract bearing upon the indirect lending by banks for Government financing. Describing the breakdown of the banking system in 1914 he goes on:

"Therefore, when about two months later [October, 1914] the State proceeded to apply to the bank for a loan of £350,000,000, the spectacle was enough to make the gods laugh. There has never been £350,000,000 in the country. [Presumably the author means legal-tender currency.—Ed.] Of course, the Bank of England had not got it. So the Directors said: 'We will make an issue to

the public'—knowing that the public had not got it. Subscriptions began to dribble in, but although the Press did its best, and suggested that the loan would be subscribed for two or three times over, those inside knew better, and it soon became obvious that the bank, in order to save its face, would be compelled to adopt some new expedient. And this it did. It issued circulars to city firms and business men which contained a truly remarkable offer. One of these offers came to me. It set out that if I filled in an enclosed form of application for a portion of the War Loan, they would lend me the whole of the money (knowing that they had not got it). Had I applied, say, for £20,000 of War Loan Stock, I should have had to put up no margin, no money and no securities. It would have cost me a penny stamp for the covering envelope, and no more. Those who availed themselves of this offer were charged 3 per cent. for the accommodation. The State will ultimately pay them 4 per cent., and the taxpayer is to pay this 4 per cent. to the State—this being the only real part of the transaction."

In a "Note" Mr. Temple made the following reference to a procedure that was taking place contemporaneously with his writing it:—

"[This] May, 1916, the Bank of England—with a Lloyd George guarantee on behalf of the taxpayer behind it—is advancing £96 against War Loan Stock, whose price on the market is £87 10s. The buyer instructs his broker to purchase the Stock, the broker takes the Stock to the bank and receives £96 for every £100 of nominal value, pays £87 10s. to the seller, and hands the buyer £7 10s. In a case known to the writer £50,000 worth of Stock has been bought on the market at a discount, and the full value has been advanced by the bank. These advances are in the nature of a loan repayable in 1918."

This is a clear proof that the banks' motive was political. It was offering a gift of £7 10s. to every buyer in respect of each £100 nominal of Stock, and the reason in every case was to ensure that as much Stock as possible should be in the legal ownership of a person or firm, and not a bank. Since, in the interval after the £350,000,000 loan there had been another of £600,000,000 to which the banks themselves applied to purchase £200,000,000, it is quite feasible to suppose that the low price on the market in May, 1916 (£87 10s.) was due to the banks unloading this block of Stock or part of it. The "loss" on the sale would mean nothing to them. It was all a question of book-keeping entries.

At the Conference on Co-partnership in industry at Oxford last week Sir Richard Paget, who presided, said:

"I would propose giving the dole to everybody in order to start at scratch, and then I would tax the unemployed and take away the dole from those who did not make proper use of their leisure and employ it profitably by learning or doing something useful, even though it may be only playing the flute."

Professor J. W. Scott advocated a back-to-the-land policy to deal with the problem of finding work for men "ousted" from industry by "rationalisation and machinery."

"We should use the wheat supplies instead of the gold supplies as our barometer. . . . If all accounts were paid in vouchers for British goods Britain would be paying for her imports with exports."

Sir Josiah Stamp, in the current *Monthly Review* of Lloyds Bank refers to the fall of commodity prices during the last four to five years—some 25 to 28 per cent.—since our adoption of the gold standard, and remarks that it is unprecedented in modern history. The *Journal of Commerce* (July 7)

which reports this, points also to the recent "world-wide fall of 10 per cent. within as many months," saying that it has brought the problem of stabilisation to the forefront—"the consequences are far-reaching and critical." It suggests that there is a clue to Sir Josiah's idea of a remedy to be found in the following passage quoted from his article:

"It is not uncommon to hear statistical explanations of 'over-production' applied to the fall of commodities in particular, but this method will not cover a general fall, and if staple commodities will exchange for similar quantities of each other, *except gold*, the real monetary character of the problem is manifest."

"Something Sinister."

Some weeks ago a Mr. Popovitch was making disclosures in the *Daily Mail* of the Bolshevik intrigues, which he was in a position to do because, as his story said, he had met with several of their agents on the Continent who were trying to get him to act as a spy in England. In the course of one article he made allusion to the fact that at the time when he was investigating these overtures he was art critic to THE NEW AGE. He was doing this work for the journal at the time when it came under its present editorship in July, 1923, but ceased to do it a few months afterwards as the outcome of a difference of view about editorial policy which originally arose between the late A. E. R. and the editor. A. E. R. objected to what he regarded as overweighting the journal with New Economic writing, and the break with him occurred when the editor accepted a series of articles from Major Douglas under the title "Social Credit." We have always held A. E. R. in high respect—there has never been a more conscientious writer—and our reason for recording this matter has no personal application whatever.

However, while the episode, by itself, means nothing, when conjoined with several subsequent episodes connected both with the policy of THE NEW AGE and with Major Douglas's activities—all of them symptomatic of external interferences—it takes on a wider significance. Financial opposition to the policy of this journal is of the subtlest quality and is exercised through innocent agencies. We did not know anything of Mr. Popovitch; we expect that he, like A. E. R., felt that the cultural equilibrium of THE NEW AGE was being rudely disturbed by the intrusion of Social Credit, and therefore decided to join A. E. R. in the latter's contemplated venture, namely, to revive the tradition of the old, "unspoiled" NEW AGE in a new journal which was to be called the *Forerunner*. The complaint we have to make against Mr. Popovitch is his recent gratuitous free advertisement of THE NEW AGE, associating it with himself, and himself with Soviet politics. It has the effect of suggesting that this journal is, shall we say? not quite English. Which isn't cricket.

And now we come to another ex-contributor to the old NEW AGE—Mr. Arnold Bennett. In the *Evening Standard* of July 10 his literary article takes the form of a sketch of his experiences as a reviewer. He adopts the Shaw-Swaffer posture of self-conscious megalomania, and tells among other things how he once "lowered" himself to ask the *Academy* for work ("the only occasion in my life") and got it, and made a reputation by it. But, he proceeds:

"Something sinister happened, not to me but to the paper, and I wrote no more for it." (Our italics.) After that he tells how the editor of THE NEW AGE "called on me and implored me to write reviews for him." The reviews made a great noise, he recalls,

and soon "the editor, who was nothing if not munificent, began to shower on me weekly cheques of one pound one shilling each."

"Then something sinister happened to THE NEW AGE also." (Our italics.)

What is the great idea? "Something sinister"—what does that mean?—and if it is intended to mean anything why not say it? If THE NEW AGE died, or went Bolshie, let Mr. Bennett tell us all about it.

And to complete the job will he tell us if something sinister has happened to the *Realist*? As a member of its Board of Editors he ought to know. It would be a pity if Lord Beaverbrook should get hold of the notion that something sinister invariably happened to every journal with which Mr. Bennett became associated. It is surely up to him to show that it has not been his fault—to assure the publishing world that his name is really Arnold and not Jonah.

For the *Realist* was running along sweetly from April to December, 1929, appearing promptly on the first day of every month. But when last January's issue was due it did not appear, and was, we think, nearly a fortnight late when it did appear. So far as we can ascertain no issue has appeared since then. Enquiries on two occasions at the publishing office met with the inconclusive answer that it was "hoped" to resume publication, but that when this would happen was not certain. We have refrained from making comments for a couple of months because we have not wanted to run any risk of embarrassing anyone who was trying to overcome whatever difficulties stood in the way of resumption. But we think that after all this time there cannot be any risk; for when a monthly magazine has been suspended for five or six months it is, for all practical purposes defunct, whatever hopes there may be of its re-birth. In the ordinary way the fate of this magazine would not affect us and it would not be our business to request an explanation. But it happens that an article on finance and the Snowden Committee appeared in the December issue of the *Realist*, written by the editor of THE NEW AGE. Naturally we are interested to know all we can about a magazine that showed the independence and enterprise involved in publishing the article that appeared. We may say that we have heard an account of why the suspension occurred, but although it is easily credible it may possibly not be correct. Can Mr. Bennett give an authoritative explanation?

LAMBETH CONFERENCE.

Will readers who have copies of "The New Age" for July 3 (Lambeth Conference Number) that they have done with please post them to the office, 70, High Holborn, W.C.1. Although a large number of extra copies were printed, they have all been disposed of, and more are wanted for a special purpose.

"An interesting sign of the times is the way the great trade union leaders are now courted in the most exclusive haunts of London Society. A Liberal M.P. told a friend of mine that last week he saw in one of the most expensive West-end restaurants, dining at different tables, Mr. Vernon Hartshorn and Lord and Lady Londonderry. The coal-owner beckoned the miner's leader over to his table and they had a long friendly conversation. The Aga Khan was also in the restaurant and joined them. It was a meeting that would have seemed incredible in the fierce party politics before the war, or even immediately after the war."—*The Star*, June 6, 1930.

At a gathering, largely of Americans, in one of London's well-known hotels, the Chairman gave the toast of "The King." But the toastmaster announced: "The toast is 'The King—and the President of the United States.'" The writer in the *Star* of June 9, who reports this, remarks: "Many of us solved the problem by toasting 'The King' boldly—and whispering 'and the President' into our wine-glasses." It sounds like an Astor Luncheon.

Blake and Social Credit Philosophy.

It has often been remarked that the Social Credit attitude is not merely, or even mainly, a matter of economics. The economic principles, amazingly ingenious and admirable as they are, are only a means calculated to bring about the conditions which Social Creditors regard as most favourable to human development. These economic mechanisms we owe to the genius of one man, Major Douglas, though many will remember having heard him modestly disclaim even so much, and say that there is evidence that similar ideas have been evolved by other men, and in other centuries. However that may be, it is certain that the body of thought behind these mechanisms, in a word the Social Credit attitude, is a human heritage which goes back to the Gnostics, if not beyond them.

And one of the most emphatic, if tumultuous and bewildering, expressions it has ever received comes to us from the hand of William Blake, perhaps the third greatest poet that England, and therefore the world, has produced.

Not that Blake ever concerned himself particularly with economics. He would probably have disclaimed to do so, in his lordly way, and very likely he would have stigmatised those who did, in the same breath with Milton (Milton, of all people!) as "atheists, busy with this world's affairs."

So I will not offend his shade by asking him to support Social Credit. Besides, we do not, I hope, at this time of day, need him, or any man, to bolster up our views. What I wish to do is to use the mice of Social Credit to nibble a few holes in the gigantic mythological net in which this lion has entangled himself.

Beneath all Blake's fantastic imagery there lies a fairly simple and comprehensible story, which indeed has been embodied in various forms by all mythologies. Like all religious spirits, Blake had to explain the continual and disheartening wrong-going in the affairs of men, which is satisfactorily accounted for, neither by Evolution, nor by belief in God. Therefore, Blake, like all the rest, accepted the hypothesis of the Fall, or, rather, since this is too mild a term, he felt in his bones that man was a fallen creature. But at once he diverged from orthodox conceptions of the Fall, and adopted the Gnostic doctrines, giving them a strong personal twist. For him it was a fall not from but into Morality.

Urizen, the god of intellect and reason, having drunk of the wine of Luvah, who is passion, de-velops an inordinate lust for power, and rebelling against the Almighty creates this world in wrath and pride, and therefore creates it badly. Hence spring all our woes.

Thus Urizen plays the part of the chief villain, the rôle usually assigned to Satan, "believing as I do," says Blake, "that the God of this world is a very cruel being." Personally I always imagine Urizen as a financier, and this enables me to understand and even sympathise with all his troubles and errors. He is not really a bad sort, as Blake well knows, and his importance in the scheme is things is very great. It is simply his pigheadedness and obstinate pride which causes all the trouble, though when one realises the extent and intensity of the human misery he causes, it is difficult to feel very kindly disposed towards him.

Like all financiers, he is, of course, a great moralist; indeed, he is the Father of Morality. And this is how Blake describes the effects of his morality:—

"He in darkness clos'd view'd all his race
And his soul sicken'd! He curs'd

Both sons and daughters; for he saw
That no flesh nor spirit could keep
His iron laws one moment.

Cold he wander'd on high, over their cities,
In weeping and pain and woe;
And wherever he wander'd, in sorrows
Upon the aged Heavens,
A cold Shadow follow'd behind him
Like a spider's web, moist, cold, and dim,
Drawing out from his sorrowing soul,
The dungeon-like heaven dividing,
Wherever the footsteps of Urizen
Walk'd over the cities in sorrow;

Till a web, dark and cold, throughout all
The tormented elements stretch'd
From the sorrows of Urizen's soul,
And the web is a Female in embryo;
None could break the web, no wings of fire.

Then the Inhabitants of those Cities
Felt their nerves change into marrow,
And hardening Bones began
In swift diseases and torments,
In throbbings and shootings and grindings,
Thro' all the coasts; till weaken'd
The Senses inward rush'd, shrinking
Beneath the dark net of infection;

Till the shrunken eyes, clouded over,
Discern'd not the woven Hypocrisy;
But the streaky slime in their heavens,
Brought together by narrowing perceptions,
Appear'd transparent air;

Six days they shrunk up from existence
And on the seventh day they rested,
And they bless'd the seventh day, in sick hope,
And forgot their eternal life.

They liv'd a period of years;
Then left a noisome body
To the jaws of devouring darkness

And their children wept, and built
Tombs in the desolate places,
And form'd Laws of Prudence, and call'd them
The Eternal Laws of God."

And here are Urizen's "Words of Wisdom" (might we not be listening to a banker, speaking of the "dole"?)—

"And Urizen read in his Book of Brass in sounding tones:—

'Listen, O Daughters, to my voice! listen to the words of wisdom!

Compel the Poor to live upon a crust of bread by soft mild arts:

So shall [you] govern over all. Let Moral Duty tune your tongue,

But be your hearts harder than the nether millstone;

Smile when they frown, frown when they smile; and when a man looks pale

With labour and abstinence, say he looks healthy and happy;

And when his children sicken, let them die; there are enough

Born, even too many, and our earth will soon be overrun Without these arts. If you would make the Poor live with temper,

With pomp give every crust of bread you give, with gracious cunning

Magnify small gifts; reduce the man to want a gift and then give with pomp.

Say he smiles if you hear him sigh; if pale, say he is ruddy.

Preach temperance; say he is overgorg'd, and drowns his wit

In strong drink, tho' you know that bread and water are all

He can afford. Flatter his wife, pity his children, till we can

Reduce all to our will, as spaniels are taught with art."

But what Blake hates about this compulsion-morality, even more than its cruelty, is the fact that while pretending to bind men together it really

divides them. It is this kind of jealous persecuting morality

"Which separated the Stars from the Mountains, the Mountains from Man,
And left Man a little grovelling Root, outside of Himself."

for:—

"... contracting our infinite senses
We behold multitude, or expanding we behold as one,
As One Man all the Universal family."

In other words, Blake knows of a higher morality than Urizen's—a morality which, ceasing to coerce, shall really bind man together by internal cohesion, not external compulsion, so that men will harmoniously combine to form the Great Self, the Giant Albion, Who, in one of His incarnations, is Jesus. And in the name of this man Blake continually challenges the morality of Urizen in some such terms as these (are they not also ours?)—

"Abstinence sows sand all over
The ruddy limbs and flaming hair
But Desire Gratified
Plants fruits of life and beauty there."

And curiously it is Blake who achieves the formula which answers those who fear that a consumer policy would be a democratic tyranny over producers:—

"To the Devourer it seems as if the producer was in his chains," but it is not so, he only takes portions of existence and fancies that the whole.

But the Prolific would cease to be Prolific unless the Devourer, as a sea, received the excess of his delights.
Some will say: "Is not God above the Prolific?"
I answer: "God only acts and Is, in existing beings or men."

And are we not justified in feeling that Blake's grand clarion-call has some special meaning for us?—

"Rouse up, O young men of the New Age! Set your foreheads against the ignorant hirelings! For we have hirelings in the Camp, the Court, and the University, who would, if they could, for ever depress mental, and prolong corporeal war. Painters! on you I call. Sculptors! architects! suffer not the fashionable fools to depress your powers by the prices they pretend to give for contemptible works, or the expensive advertising boasts they make of such works: believe Christ and His Apostles that there is a class of men whose whole delight is in destroying."

Is there not, then, a striking similarity between our ideal and that Jerusalem which Blake wanted to build "in England's green and pleasant land," and which is the emanation of the Giant Albion? Even here we can follow his thought. Do we not all feel that Britain, with all her faults, is more especially the home of freedom than any other nation? And is it not one of her sons who offers Economic Salvation to the world? So that there is coherence even in Blake's most fantastic, most extravagant myth—the Vision that will forever be a stumbling-block to all "internationalists" and "cosmopolitans"—the dream that:—

"All things begin and end, in Albion's ancient, Druid rocky, shore."

NEIL MONTGOMERY.

Ethics and Economics.

Anyone who grasps the content of Major Douglas's analysis and proposals will realise that it is now possible to direct economic activities in conformity with ethical principles. Most of our older readers will recall how frequently the question: "Can a man apply Christian principles in the conduct of his business?" has been debated and discussed in Church circles, and how inevitably the conclusion has appeared to be that if he did it would be at the cost of losing his business. To-day, however, an unqualified "Yes" can be returned to the question. There can be amicable co-operation in every sort of business relationship arising from the

assurance of economic security for every individual, whereas at present there is hostile competition arising from the lack of such assurance. This evil has been regarded as a natural law in economic life, but Major Douglas has shown that this "law" has proceeded solely from (a) the arbitrary restriction of financial credit, and (b) the misdirection of its employment by those interests who create and control it.

For good or evil we live in an era when we have to use money to measure our collective work and our individual shares in the product of that work. Whatever authority controls money is able to decide both the nature and the amount of the work that we do. Now, work results, in the last analysis, in two categories of production; the one, products to be taken home by individual consumers; the other, products to be left inside the industrial system. No natural law is responsible for the proportions in which, as a matter of fact, the community has hitherto been making the one kind of product or the other: the allocation of its total effort as between the two objectives has been arbitrarily decided and directed by the interests in control of the credit-mechanism. There can be no division of opinion about the consequences. There is a scarcity of things to take home; and there is a superfluity of things left inside the industrial system. Consumption in general is held down at a fixed rate not far above the poverty-line, while the power of production is being spasmodically expanded. We say spasmodically, because simultaneously with the expansion of production-power (the things left inside industry) in one direction the contraction of production-power is taking place in another. Listen to this enumeration of phenomena all of which can be observed simultaneously within what is supposed to be an intelligently-conceived and efficiently-directed economic system.

- (a) Shooting calves. (Argentine.)
- (b) Burning corn for fuel. (U.S.A.)
- (c) Sending tomatoes and bananas to the refuse-dump. (Covent Garden.)
- (d) Forming pools to hold "surplus" wheat off the market. (Canada, U.S.A., and elsewhere.)
- (e) Putting wheat-bearing land out of cultivation (U.S.A.) and agricultural land in general (Great Britain and elsewhere.)
- (f) Sinking oil-wells to get oil up. Capping oil-wells to keep oil down. (The Near East.)
- (g) Planting rubber-trees to tap for rubber. Making agreements not to tap them. (Malay.)
- (h) Employing labour to make labour-saving machines. (Everywhere.) Employing labour to smash new machinery. (Belfast.)
- (i) Exporting cotton-spinning machines to India. Trying to export cotton goods to India. (Great Britain.)

These diverse anomalies are a reflection of the self-contradictory policy of the bankers. It is ostensibly based on the doctrine that if a man does no work he shall have nothing to eat, but it proceeds on the unwarranted assumption that men in general will not work unless they are under the fear of starvation. "You must work to eat, but you must not eat lest you do not work." Moreover, in modern industry the injunction has to be modified thus: "You must work to make this machine in order to eat, and when you have made the machine it will thenceforth do your work, and you will not be entitled to eat until it wears out and another is required." The injunction is not explicitly formulated by the bankers; it is invisibly imposed through their technique of dispensing money. There is no superhuman law rendering this state of affairs immutable. And if it affronts the intelligence and conscience of the people it can be changed. Mr. Orage, the late editor of this journal, insisted that what was ethically unsound could not be economically sound. We recommend this truth to the attention of all those who are concerned with the many physical and moral problems arising from monetary scarcity.

Drama.

The Importance of Being Earnest: Lyric, Hammersmith.

Sir Nigel Playfair has "endeavoured, with the help of Mr. Michael Weight, then unborn, and some reference to Aubrey Beardsley, to give an impression, not an archaeological reproduction, of the wicked 1890s as he remembers them." Thus the 'nineties join the eighteenth century and the pre-Grecian civilisations in that their events need no longer be separated in detailed time. This impression, however, is as much better than archaeological reproduction as re-creation is better than post-mortem examination. Those members of the audience who looked old enough to remember the 'nineties became young again. Since only the evil that decades as well as men do lives after them—evil being sometimes executed with style, whereas good remains intention—one is thankful that the 'nineties with a terrific struggle, succeeded in being just wicked enough to survive, if only as a general impression, in Sir Nigel's memory. There is not much wickedness, of course, in "The Importance of Being Earnest"; there is merely *fin-de-siècle* blasphemy, which consists not so much of taking the name of the Lord in vain as of mocking the graven images of the lords and ladies; or, in other words, of refusing to take seriously conceptions of life and Society about which even the fanatics have begun to feel doubt.

As a play this well-described "trivial comedy for serious people" belongs to the light-talk class. Its epigrams and puns, like most epigrams and puns, sound better by electric light after a bottle of champagne than in the grey morning. Its plot is not contained in the events but merely explained in the speeches of the characters, and the winding up of the plot, with the discovery of John Worthing's identity, Miss Prism, and the black portmanteau, must have given Wilde many headaches before he finally decided that, bad as it was, it would have been done since. Bunburying and Brother Ernest, cucumber-sandwiches and muffins, diaries and demerits, are pegs on which hang epigrammatic comments on life and manners which wave in the atmosphere of the wicked 'nineties as in a fresh breeze compared with the atmosphere of the present day. Epigrams are out of fashion; minds are not clear enough for them, and those which are cut are rarely meant for serious people. Indeed, the trivial comedy for serious people has given way to comedy, longer and trivial, for trivial people. There is no longer anything to bless or curse but age, youth, and women drivers, institutions having crumbled in heaps, like the very words of language in the writings of James Joyce, exercising no power, and only stimulating vague associations with past ideas. When Algy turns up at Woolton Manor House, he enters the garden with a bicycle. "It was the special custom in 1895," Sir Nigel explains, "fashionable young gentlemen to put their luggage on a fly and follow behind it on a bicycle, and I feel sure that is what Algy would have done." That is no doubt what they were able, if only on the stage and in aesthetic Bohemia, to speak in epigram; why they did not crowd five words into one—reminiscent of the countryside seen from a sixty-mile a minute car—nor write telegram-prose and call it poetry.

The last production of the Pakton Players at the Players' Theatre offers an opportunity for a word of advice to theatre managements, especially those of little theatres. They absolutely must start at the advertised time, the audiences being as sure of this as at football-matches. The people who are serious about the theatre generally come to time, and do not like waiting afterwards, when conversation and everything else have been dropped. Late-comers turn up just as late whatever the starting-time, a crowd of them doing so at a play in another theatre which began, as advertised, at nine o'clock. As long as theatres do not keep their appointments with their

ley wickedness apparent to me. Perhaps I missed it. As Lady Bracknell Miss Mabel Terry-Lewis gave a performance which was a creation in itself. Every-thing was definite. Her voice was a black-alum crystal matching the black and white figure, which plumped one back in the 'nineties at the first utterance. Just once or twice the audience lost the last word of Miss Terry-Lewis's epigrams, a misfortune which resulted from the intensity of the period atmosphere striven for, which can easily be corrected. The other classic is Miss Jean Cadell's Miss Prism, as classic in make-up, with the hair bulging out under the prim and proper straw-hat as in performance. Mr. John Gielgud has moved straight out of Hamlet into John Worthing. He is a good, versatile actor, with a beautiful diction, possibly not heard to better advantage than when he spoke the poetic commentary on "Douaumont." But he is being seriously overpraised. Good as his performance of John-Ernest was, he used inflexions with which I disagreed, and at least once entirely failed "to put one of Wilde's repartees over." Mr. Antony Ireland's Algernon was easy, confident, and distinguished by good business, though hardly so polished as my imaginary Algernon. If Miss Heather Angel's lisp was cultivated for the occasion, there is no harm in it. Exactly when the lisp was fashionable does not matter much in an impression; if, however, it was not specially adopted the sooner it is dropped and the vowels rounded more, the better for the actress's future.

Jealousy: Arts.

When George Jean Nathan had seen a play containing only two characters he thought of going to see next a man play the violin with his toes. The play might have been "Jealousy." It is admittedly more a *tour de force* than a drama, but equally admittedly it is thoroughly well constructed to achieve the purpose of a play requiring only two actors. Its dramatic moments are well proportioned, and the curtains excellent. But it is not truly a play of two characters, since the two actors who appear talk nearly all the time about one who does not appear, but nevertheless, from the attention given to him, is practically the central character. "Jealousy" has, in fact, at least four characters, only two of whom appear. Without the characters who perform their parts off it could not have been a play at all. Nevertheless, if Ruth Draper is entitled to give plays requiring only one actor—and the world is unanimous that she is—it is nonsense for anybody to pretend that a play requiring two is illegitimate.

Miss Mary Newcomb made a reputation in London with the part of Valerie before she appeared in anything that may reasonably be called team-work. "Jealousy," translated from the French of Louis Verneuil by Eugene Walter, is straightforward melodrama in which the author has done the work, and Miss Newcomb carries it through in workmanlike manner. She has, however, a serious fault in her diction. She emphasises personal pronouns too strongly almost every time she uses them, saying "your coffee" and "my cabinet," etc. Mr. John Wyse is well cast as Maurice.

Triple Bill: Players.

The last production of the Pakton Players at the Players' Theatre offers an opportunity for a word of advice to theatre managements, especially those of little theatres. They absolutely must start at the advertised time, the audiences being as sure of this as at football-matches. The people who are serious about the theatre generally come to time, and do not like waiting afterwards, when conversation and everything else have been dropped. Late-comers turn up just as late whatever the starting-time, a crowd of them doing so at a play in another theatre which began, as advertised, at nine o'clock. As long as theatres do not keep their appointments with their

audiences it is no use complaining about slumps, especially in face of "continuous programme" competition.

"The Madonna of the Golden Hart," by Mr. Robert Newton, is a one-act play in a public-house, "The Golden Hart." It is a good scene with excellent opportunities for characterisation, with its drunken sailors, girls out for what they can get, obscene post-card sellers, and all the rough life of a Naval Port. Unfortunately Mr. Newton did not realise that the scene and characters are enough without a theme. The "Madonna" is vague, sentimental, and unreal, whereas as barmaid in love with a touring actor she had been genuine. Miss Evelyn Hope as another barmaid gave a delightful performance.

"The House with the Twisty Windows," by Mary Pakington, shows a number of English men and women in prison in Petrograd during the "Red Terror," as hostages for an English anti-Red propagandist. Miss Pakington soon breaks down into false romanticism, since Derrick Moore's six children would have been better off if he were killed, since he had already handed them over to Providence. But the performance is distinguished by the recitation of a fairy-tale by Fred O'Donovan, which was an object-lesson in rhythm of speech for all young actors. I closed my eyes and hoped that it would go on, if need be, at the expense of cutting Shaw's "The Fascinating Foundling" out of the programme. In "The House with the Twisty Windows" a good display of "nerves" was given by Mr. Rodney Ackland.

PAUL BANKS.

The Ubiquitous Voice.

Before finding the public-house I had walked through the wood, across the fields, and along a mile of lane. Although in London it seemed as if neither place nor time mattered, or rather that time was divided naturally by seasons, and not arbitrarily by centuries. I had been reflecting on Socrates, that old debating sophist in spite of himself, who delighted to score off schoolboys by sleight-of-mind, and his contemporary in eternity, Bernard Shaw, who carries logic to absurdity and preaches the result as common-sense. All things taken into reckoning, I had earned my refreshment, and the chance of it coming suddenly was as the froth on the drink. The last thing I expected in the public-house was music, for in the atmosphere of the walk I had gained anew the idea that a public-house was a place where conversation, set free by intoxication, was enough in itself. "Talking for talking's sake," the women used to call it before they were allowed to go there, and so, as the cynic might say, it may have become since. Anyway, they did not know that conversation is the goal of all effort, that literature at its best is merely intimate conversation; that according to Emerson, amœba, fishes, apes, speech, writing, telegraph, and telephone, yea, the great globe itself, were created "all for a little conversation." But as I set my beer in front of me a chorus filled the room. I did not at first hear the words. I was more interested in the people present, in the hope that perhaps somebody with the confidence born of regular patronage might contribute a thought. To a tune I knew well enough, I did at last hear:

"With a fine old English gentleman,
Our Maggie caught a cold last night."

The English gentleman who sang the solo sounded as if he were about fifty years of age. All the greater congratulation seems due to him, therefore, for so generously doing his bit, as no doubt he intended to do, for the youth movement. He cer-

tainly made his mark on the audience. Half lifted glasses were put down again. The local smiled at the stranger, and the stranger smiled back, whereupon the local, relishing the words, spoke:

"Wiv' a fine ol' English jenlmm
Aow Meggie cawraco' laws' noight."
"Thet's awroigh' ain' it?"

In ten thousand public-houses, five million homes, and a hundred and fifty dialects, I realised, those lines had just been repeated with similar relish, in testimony to the flair of the broadcasting selectors in spotting the comic genius of the age, and the right message for the mighty voice.

Popular songs for some years have been largely a mixture of two sorts. One was a confession of thralldom to some fair creature for no possible reason, an example being

"I never cared for eyes of blue,
But she's got eyes of blue,
And that's my weakness now."

As the word "now" shows, apart from the "refrains" to the different verses, this confession of human frailty is tinged with a cynicism, which is translated into another terminology, that nothing is, but all is only becoming. The other sort of popular song is a sneer at all permanence, character, or romance. Once it was at a young woman who could not have been so very good if she kept the wclw from the door. At the moment it is at a fine old English gentleman with whom our Maggie caught a cold last night.

A very popular music-hall turn, several exponents of which filled three-parts of the bill, and assured me of a dreary evening, last time I was at the Coliseum, consists of a woman singing a few bars of some popular opera tune as if she was going to sing, and then breaking down, with a cracked voice or some other trick. It is the precise equivalent of the English gentleman and our Maggie's distemper.

In restaurant, public-house, club, on the river, in the garden, and in most homes, one has to suffer a blare of noises and broken rhythms which render impossible all constructive thought and destroy the constructed thought. It melts down everything the human mind has distinguished or formed out of chaos. It is not burlesque of the fine things in the world; burlesque merely preserves self-consciousness. It is spitting on and defiling, instead of surpassing, the work of the past. The old-fashioned dances had a definite effect on the dancer which anyone may test by trying them. They lengthened the spine and re-collected the mind. Even the dizzy waltz, like the earth turning on its axis as it rushes round the sun, helped a man to preserve his roundness. The present dances empty one's head and destroy one's thought. It is impossible to reflect or meditate to the jazz rhythm, which is a rhythm of instinctive action, of automatic reflexes. Jazz-rhythm is possibly the most deadly poison ever administered to a common people which had arrived at partial human consciousness, at civic and spiritual responsibility. It is no wonder that the songs of the Empire Crusaders at Lord Beaverbrook's meeting were set to jazz-time.

This compulsion to break everything the instant it is made is everywhere. It exists among the most intellectual as among the most popular. It is evident in much of the music of the most foremost modern composers, and in the work of the modern stylists of literature. Even Mr. James Joyce's efforts to create words of definition, association seem to reflect a fear of definition, form, of clearness. Nobody dare finally affirm any thing, until at last, weary of chaos, men give up every aspiration they once had, and seek the security of an old creed, with plenty of company, in the Roman Catholic Church.

Review.

Other Man's Saucer. By J. Keith Winter. (Heinemann. 7s. 6d.)

The first novel by Mr. Keith Winter makes good reading. One understands that it is already selling well. It reminds me of "The Constant Nymph." The Latimer family round which this book is written belong to the same type of family drawn by Miss Kennedy. The children are all rather above the average in vitality and intelligence; they are "artistic," precocious, and would be described by some people as "horrid, ill-behaved little heathens." The father, a historian of sorts, is dead. The mother, wrapped up in the making of novels, allows her children to grow up free of restraint. At an early age one of the girls has allowed her maidenhead to be taken by the stableman; a little later she marries a baronet, and the younger children are allowed to get drunk at the wedding feast, which results in one of them getting killed by a motor. The hero of the tale is Shaw Latimer, who has green hair. Does this account for his adventure at school? He falls in love with a prefect, whose friendship for Shaw gradually turns into a perverted hatred which ends up in a whipping scene likely to scandalise certain readers. Does his green hair account for Shaw's opinion, it accounts for his attraction to Yolande Phayre, a lady whom it seems he is to marry as the novel closes. "Yolande was all goldenness and enchantment and with a scarlet mouth that drooped. You're like honey and blood," Shaw told her. "Yolande deserves to wear, and would wear with distinction, the notorious green hat belonging to Mr. Michael Arlen's heroine. Shaw's green hair would match his sweetheart's headgear quite perfectly." J. S.

Comments On Indian Conditions.

With the publication of the Simon Commission Report, the attention of a large number of people is directed once again to India. The newspapers of this country feature those aspects of the problem which provide good headlines, and rarely does one get an opportunity of reading how the situation affects those Englishmen who are actually in touch with reality. What does the man who works with the natives feel about things? How do the natives regard him? What is his attitude towards them? The following extracts are taken from letters written by a young Englishman who left this country some few months ago to take up a position in one of the Government factories. He went to India convinced of the rightness of the Social Credit analysis, and he returned also with the idea that the Indians were oppressed, and that he, at any rate, would treat them decently. But what happened? In less than six months—however, let his letters tell their own story.

... The cost of living here is about the same as it is at home, although food is decidedly cheaper. It has to be, or these poor beggars of Indians would starve on their pitiful pay. It is heartrending to see some of them. They live a very squalid life and look half starved. Their clothing is nothing but rags in the majority of cases, and they are very abject. They mostly wear nothing on their feet, and in fact use their toes to pick up things from the floor. The difference between my former factory and this is surprising. In our shop it is not too bad, for they are the highest skilled men and get the highest pay for native workmen. They are terribly slow, and in most cases it takes two of them to do the work of one English workman, and they take about four times as long. The standard of work is not as good as at home by any means, but considering the machines they have it is not too bad. If there is an economic problem at home, there is an even greater one here, and all the laudable sentiments about the brotherhood of man seem very much out of place. The Englishman is undoubtedly the boss, and in the majority of cases lets the Indian know it. My quarrel with C. is over the colour problem. He absolutely detests all Indians and has not got a good word to say for them, but, for myself, although I have been here only a fortnight, I have no feelings against them at all. True you cannot treat the great mass of them as you would your own class, but even so you have the same feeling of repugnance against the low type of Englishman. I maintain, when you get an educated Indian, who is clean and decent, you should treat him by the same as a European of the same standard. I am told by some that I shall become the same as they are long before. Well, perhaps I shall. It will be necessary to steal one's sentiments against these poor blighters, or one might as well turn the job in and come home. They seem

happy enough in their own way, because they are not educated up to a better standard, but seen through our eyes their conditions are deplorable. Well, so much for that. . . .

... The people here are mainly, if not all, dead against Indian politics. This is only to be expected for they owe their position to the exploitation of India. As you surmise, one gets accustomed to seeing the Indian people, and as one gets to know more about them, they seem happy enough in their own way. They have very simple tastes, and live a simple life, although viewed through Western eyes it appears absolutely rotten. It is what they are used to, I suppose, and they don't take much notice of it. The Indian peasant, I understand, is considerably worse off than the town dwellers. It is a question of education every time. With the more enlightened ones they realise their position, and that is why so many students are in the thick of the Gandhi stunts. No doubt you know as much as I do about his exploits, for we only have a daily paper, after the style of the *Daily Mail*, and you may be sure on whose side that is. Personally, I think if Gandhi was to devote his time to clearing away all the caste distinctions among the Indians he would do a great deal more to pave the way to independence, than by breaking the salt laws. Undoubtedly, his policy of passive resistance will, and is leading to rioting and bloodshed. The Indians must be a united whole before they can hope to obtain complete independence. . . .

One is bound to change one's ideas about the possibility of an economic change when living out here, for conditions are so different, and one realises that if it seems hopeless at home, it seems infinitely more so here. This was brought home to me very forcibly this morning. Tuesday and Friday are the two days on which we take on labour, and the crowd clamouring outside in the hopes of obtaining employment in the making of ammunition for use against themselves is very great indeed and necessitates having police there to keep them in order. There is no such thing as a Labour Exchange or Unemployment Insurance. If a man has no work, then he becomes a dependent on his relatives, or, alternatively, can starve. I have already discoursed on Gandhi and his methods, which are leading to an increasing number of riots. Things are beginning to look rather serious, and as May is the time of riots, we can look forward to trouble. I should not be surprised if they do not make us join the Auxiliary Force of India. They have already circularised us and issued us with enrolment forms, but up to now we have ignored them. You can guess it will have to be compulsory before I join up. . . .

... The political situation out here appears to be very quiet, although last week many disturbing rumours were floating around. Gandhi is now taking a well-earned 'rest,' but the authorities are taking no chances, and we have a military guard at the factory, and all the troops are confined to barracks. There is not likely to be any trouble hereabouts, for to my mind there are too many soldiers in and around the place. What will happen now, I don't know, for Gandhi's successor has also been arrested, and it seems that this has knocked the bottom out of the civil disobedience campaign. . . .

... I have come to the conclusion that you cannot treat these fellows as you would people at home, for they are intellectually on a much lower level. If you treat them as on the same level as yourself and are lenient with them, they put you down as a weakling and will take advantage of you. On the other hand, if you are firm and strict with them, swear at them occasionally and flourish your arms about a bit, they are completely at your service and will respect you for it. From now on this is going to be my attitude. I have always been very careful not to hurt people's feelings, but when people have no decent feelings, it is impossible to hurt them, whatever you say or do. . . .

To comment on the above extracts would be superfluous. They show the reaction of one man to Indian conditions, but they show more than that. It is very easy, by reading between the lines, to realise to what a large extent the Indian problem is an economic one. Poor machinery, low wages, almost starvation diet, the dictum of "work or starve" carried to its extreme limit—all these things are purely economic. It is quite certain that the newspapers will continue to print scare headlines about "untouchables" and caste distinctions, but it is equally certain that they will continue to ignore the only really vital issue and its known remedy.

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