

# THE NEW AGE

INCORPORATING "CREDIT POWER."

A WEEKLY REVIEW OF POLITICS, LITERATURE AND ART

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## NOTES OF THE WEEK.

Mrs. M. A. Cloudesley Brereton has published a little booklet\* on unemployment. In submitting it for review she says that it is a personal contribution to the problem and is issued on her own responsibility. "The ideas expressed have no relation to any post I hold, paid or unpaid, nor are they dependent on any school of party politics." Her proposition is this: that given a certain percentage of superfluous labour, that percentage should be retired from the *top grades*, and comfortably remunerated on condition that they use their leisure to re-educate and re-create themselves—i.e., widening their knowledge, increasing their skill, as well as thinking out methods of improving the efficiency of the undertakings with which they have been associated. This would allow of the retention of the bottom grades inside industry at a wage instead of outside on the dole.

"I am going to suggest that we should take ourselves and our manufacturing system in hand and start our 'unemployment' from the other end—the end directly opposite to the one we now adopt. That, in fact, 'unemployment' should be a form of 'paid-for leisure' of the best workers, and not 'paid-for idleness' of the weakest; a reward in slack times for the best workers, and not a disaster in slack times for the poorest." (Author's italics.)

In another place in her booklet the author discusses the implication of her idea as fundamentally affecting teachers and educational administrators.

"If once the idea became a practical realisation, that all life, not merely for men of so-called 'leisure,' but for workers of every grade, were one long period of self-development and community development; their work through life but training and education; and this world then, the foundations as laid in the elementary schools up to fourteen or later, and in all the higher schools, would obviously be set out with a different end in view. Both the matter taught and the method of teaching it would be reformed if those responsible knew that all they were

\* "Unemployed or Reserve?" By Mrs. M. A. Cloudesley Brereton. (Knapp, Drewett and Sons, 39, Victoria Street, S.W.1. 32 pp. 1s., post free.)

required to do was to dig for and to lay sound and solid foundations.

"I should like to see the physical hunger of the 'down and out' changed for the hunger which we read of in the Beatitudes. And I would go further: I would like to see for unemployment substituted 'non-employment on production'—occupation for improvement and for higher work when next employed on production. I would look forward to the time when unemployment will be the reward of virtue—the recognition of work well done; the time when 'dole' will become scholarships and fellowships."

Mrs. Brereton does not set any limit to the forms of education which might be followed by the retired workers: travel in the Dominions might be one of them; for "some element of experiment and originality would be an advantage rather than the reverse."

Answering the hypothetical objection that remunerated leisure undermines thrift, she refers to the war years, and claims that in general the wives spent their money just as wisely in those comparatively affluent times as in harder times. "The reason any good wife gave was that she knew where she was and could therefore plan ahead." So, with regard to this scheme—

"All but cynics know that once there was hope and faith established, the extra money would not be frittered away. It would go on linen and carpets, crockery and clothing, fuel and furniture, and all the other decencies of the home."

Later the author remarks that for the last ten years in the vast majority of homes the wife has been "making-do" in all the staple goods.

"In the most thrifty homes, where debt is abhorred, carpets have been turned round; sheets have been turned side to middle till there is no longer any use in turning them; clothes have been remodelled until they resemble Joseph's coat; crockery has been supplemented by odds and ends till it has reached a minimum for decency.

"Ordinary replenishments to these thrifty homes would keep our factories busy for years to come if the housewives knew that it was safe to spend on anything besides bare rent and food."

Mrs. Brereton is to be congratulated both in her initiative in proposing and defending the "something-for-nothing" principle—as it is called—in the face of popular prejudice, and on her skill in the

art of persuasion. The fact that her treatment of the financial aspect of the problem is inadequate does not impair the value of her booklet for its purpose—which is rather to win approval for a novel idea than to demonstrate its practicability. The unsophisticated public, according as they are temperamentally pessimistic or optimistic, will react to her proposals by saying either that they are too good to be true or that they are too good not to be true—and it is to be feared that the pessimists predominate. Nevertheless, contact with her idea will exercise a healthy effect in both directions, for at least its essential "goodness" will be allowed by both sections, excluding of course victims of the puritanical complex.

Therefore, while we could show that Mrs. Brereton's own suggestions as to the working-out of the idea are impracticable as they stand, they do not call for detailed criticism because they are only put forward tentatively. Her emphasis is on the idea itself. In so far as she can disseminate it she will create an atmosphere in which discussion of the right technique will be seen to be worth while. We will only remark generally that it is futile to expect industry and the Government to find the money necessary to remunerate leisure within the framework of existing financial laws. It would be exactly like turning round carpets, or turning sheets side to middle, instead of seeking replenishments. The replenishments necessary for her scheme are replenishments of purchasing power. These are controlled by the banking monopoly; and if she will give a little time to studying the Social-Credit analysis she will find out that bank-policy is the stumbling-block to progress towards her ideal. The psychological impediment to be found among potential beneficiaries of her scheme: "Too good to be true," she will be able to re-interpret as: "Too good for the bankers to approve it." For the banker is the super-teacher and the super-paymaster rolled into one; and he has the power to choose either of two courses or both together, which are (1) to pronounce a reform not worth having, or dangerous to have, and (2) to render it impracticable, worth while or not, by refraining from backing it with credit. He is able to do this unsuspected because he takes care not to appear as the principal in either direction. He mis-educates public opinion through the agency of the Press, and boycotts the reformer through the agency of visible financial processes which are at present so manipulated that every desirable reform is made to penalise some important section of society and so precipitate a deadlock. Mrs. Brereton will find this out—if she has not done so already—and therefore it will be well for her to understand the root cause of the phenomenon. She needs to be able, upon occasion, to rationalise and oppose the apparently logical optimism which says of a reform: "Too good to be true." The inner implication of the formula is this: "This reform commends itself to too many people for it to be practicable"—an exceptionally absurd sentiment to exist in a community governed under democratic principles where the decision on what to do is made expressly contingent on majorities. The explanation of its persistence is simple: it is that the public decisions of popular majorities are subject to the secret censorship of High Finance. We wish Mrs. Brereton success in her effort, and can assure her that there does exist a technique for the accomplishment of her objective, but it is one which requires the co-operation of the banking institutions, whether they yield it voluntarily or not.

The following news of Sir Otto Niemeyer was in the *Daily Herald* of August 6.

"Sir Otto Niemeyer, for the Bank of England, attended the first meeting of the Loan Council here to-day and spoke for an hour.

"In particular he directed attention to the grave discrepancies which have been allowed to persist in price levels in Australia. While prices in other countries have been greatly reduced, in Australia they have contracted but slightly. Costs of production are too high and must be brought down.

"His summing-up was that Australia, like the rest of the world, must be prepared to obey economic laws and must readjust conditions voluntarily and get into line with the rest of the world, or be forced to that readjustment by the pressure of economic laws.

"Sir Otto Niemeyer leaves Canberra on Thursday to discuss financial and economic matters in several States, and will then return to England to submit his report to the Bank of England.

"Mr. Scullin, the Federal Premier, will be attending the Imperial Conference, and further discussions are likely in London.—Exchange."

Our last reference in these Notes to Australian conditions and Sir Otto Niemeyer's visit was in our issue of July 10. We mentioned two problems which he might be supposed to have in mind, one of them the state of the Federal Exchequer and the other the political unrest behind the West Australian State Government's secessionist gesture, which might be imitated by other State Governments. The two are intimately related. Here you have a group of State Governments each staggering under the burden of Federal taxation; and you have the Federal Government faced with the problem of at least arresting the increase in Australian borrowings to the banks (probably now amounting to £10,000,000) and of subsequently wiping out the debt as quickly as possible. Australian loan policy is controlled by a centralised Loan Board, and this Board will have to arrest or perhaps reduce the borrowings of the several States while the Federal Government still continues to levy taxes unabated in those States. This policy is bound to stimulate disaffection not merely among the electorate but among administrators, and the desire for State self-determination may be translated into action sooner than one might expect it. On this hypothesis we are not surprised that Sir Otto Niemeyer has thought it his duty to "discuss financial and economic matters in several States" as well as doing so with the Federal Authorities.

Of his speech, the first comment to make is that it is something to get this Bank-of-England plenipotentiary to speak at all. Needless to say that it is composed of careful ambiguities except in that part of it where he announces what Australia has got to do. Prices have got to come down; costs of production have got to come down. That is clear and definite. But this "economic law" which he adduces as the reason why these reductions are imperative is not discussed at all. Under cross-examination by a Social-Credit expert, Sir Otto Niemeyer would soon be driven back on the declaration: *La loi économique, c'est Moi*. That is why the High Financiers hardly ever speak, and, when they do, only to selected audiences who possess neither the will nor the wit to analyse their announcements. Notice Sir Otto's explicit conjunction of falling prices with falling costs of production. We suppose that not a single member of his audience, supposing he had had the question put to him, could have explained why Sir Otto, after calling for falling prices called for falling costs of production. Such a person would have replied: "Well, of course, you must have lower costs to get lower prices"—which is the same as saying that Sir Otto needn't have mentioned costs, and therefore explanation would have been that Sir Otto just "threw in" the reference to costs to "round off" the passage where it occurred. That might easily be the case were a politician to have been speaking—in fact, this type of speaker is always using the process of

rounding-off as a means of avoiding the necessity to square up to any problem. But in the case of this High Banker it will not serve. The report quoted was presumably handed to the Exchange cable agency and represents exactly what Sir Otto wished to appear in print out of his hour's speech. We are going to suggest an explanation why the report came out in this form. If it does not sound a likely one it does not matter: our reason for discussing it is based on something more important than a private individual's motives.

We will begin in this way. Supposing that we were the Federal Premier, Mr. Scullin; and that Sir Otto Niemeyer had said to us: "You must bring prices down"; we should have said: "Very good; we will guarantee to do so if you won't interfere with our method!" That would have started the fun; and it would not have been long before we had obliged him to disclose the fact that he was not after lower prices at all unless they were brought about by a method of his own. Such a challenge was not delivered; but it is a challenge that will have to be made sooner or later; and, as we have remarked recently, the extensive and efficient dissemination of economic knowledge by Social Credit supporters in Australia has marked that country as a likely venue for the opening attack on external financial control of national policy. Hence it will be useful for us to elaborate our remarks if only for the consideration of our friends and supporters in Australia.

As practical propagandists these will recognise that to get any intelligible result out of a disagreement, you must proceed from a point of agreement. If you do not, all you get is a tail-chasing scramble such as has been exhibited by various controversial credit-pundits in the *Manchester Guardian Commercial* during the last six weeks—pelting each other with tufts of financial lore. The point of agreement in the present case is *low prices*. Just as Conan Doyle's veteran V.C. shouted in his death-bed delirium: "The Guards want powder, and by God they shall have it," so we can, though not so vehemently, assure the Banker that if he wants low prices we are most agreeable. So far so good. But the moment the word "costs" is brought into the argument the material for disagreement becomes evident. "Costs must come down," says he. Yes, but before, or after, prices come down? Costs represent the sole source of personal incomes, and if they are to drop before prices a population of shoppers is going to be robbed. If prices drop before costs, a population of producers is going to be robbed. And even if by some ingenious device the two should be brought down simultaneously the condition of the population would be "as you were"—in other words "still in the pit." The Banker of course would have to declare where he stood if challenged on this point of costs, and would have to say that lower costs must precede lower prices, because of his financial principle that all costs (as he reckons them) have to go into prices (as the consumer pays them).

But a Government acting in the interests of the community would rightly object to this method of getting prices down if it were aware of another. Granting that it understood the Social Credit Propositions and was prepared to adopt them it could call the Banker's bluff by saying to him: "We will get costs down if you won't interfere with our method." He would, in that case, either have to agree not to interfere, or to justify his interference. The only explanation which a Government should listen to would be one which showed that the new method was technically unsound and would therefore break down without interference. Once we can manoeuvre the Banker into that position we have got him where

we want him. It has been a slow job stopping up his numerous bolt-holes, but recent indications, in South Africa as well as Australia, suggest that more potent influences than ours are being directed to this important work.

It must not be inferred from our having discussed the subject in this particular way that a country like Australia could not make a long move forward with a Social Credit policy in spite of bankers' interference. A self-feeding, self-clothing and self-housing country would be immune from external financial reprisals against its new system of domestic finance, unless they took the extreme form of inciting a stronger power to declare war on it. Short of that, the utmost that the internationalised financiers could do would be to isolate that country from commercial intercourse with others. In the case of Australia, the consequences of such isolation must be weighed by those who know of the conditions there. A self-supporting country in respect of primary necessities needs this intercourse solely to diversify its consumption. Its existence is not threatened by its isolation however much its comfort might be disturbed. Postulating an Australian Government's intention to make the experiment, it could take the population into its confidence about the issues involved. If so, we should say that it would be a curious sort of individual who would not gladly accept a temporary limitation of the *diversity* of his consumption in return for an immediate, continuous supply of an adequate amount. Nobody has to scratch his head to decide between having a fancy meal when it comes and having a plain meal whenever he needs it. This side of the case, important as it is, must not receive too much emphasis, because a financial boycott of a New Economic Australia (as we may call it) is a two-edged weapon, and would occasion vital injury to other countries as against only discomfort in Australia. As we saw only the other day, when the London banks refused to discount Australian paper, the loss fell on English traders who had supplied goods to Australia and on Australians resident here who had to convert Australian credits. The immediate injury was felt in England, not Australia. This bankers' embargo on Australian credit was lifted after a brief period, owing, one was left to assume, to Australia's agreement to comply with certain conditions, one of which was probably to receive Sir Otto Niemeyer and adopt his expert recommendations. But it is open to argument whether the embargo would not have had to be lifted just the same in default of such compliance. That is the worst of the political and industrial mentality of these days; everybody flies when the banker pulls out his pistol, and does not dream of waiting to see whether it is a loaded one, or whether, if it is, the banker dare trust it not to explode in his own face.

In addition to allowing the consequences of a boycott to work themselves out to the injury of the boycotters, a New Economic Australia would be able to hasten their confusion by offering goods for nothing in their markets, or in the markets of their customers. The Australian people, provided they were content with their internal situation as already discussed, and provided they appreciated the object of their Government's strategy, could concentrate on producing a glut of everything they were able to produce, and, by exporting it free, to sow unemployment in the rest of the world. What a gorgeous answer to Sir Otto Niemeyer's decree: "Prices must come down"!

We could wish that Australia would capture the Ashes in the Test Match now proceeding at the

Oval if this would lead by a parallel line of reasoning to the reflection that London does not monopolise financial knowledge and *savoir faire* any more than England monopolises knowledge of cricket or skill in playing it. But probably it would not. Whatever else the "Old Country" fails at the Press does not mind advertising. But her persistence in maintaining a financial system whose obsolescence set in a century ago is never commented upon. It looks as if the illusion that you cannot get a banker out will persist until somebody gets a brainwave and has a try. And though it is the Lion who ought to make the effort, perhaps the Kangaroo is better built for bowling. It is not improbable that if he starts the Lion will come out and keep wicket to him. The banker, as we now know him, has got to go. He is not a cricketer; he is merely a scorer. So whether he is bowled, caught, lbw, stumped, run out, hits his wicket, or gets hit by the ball and retires hurt, is no matter so that the world watches his departure into the pavilion.

### Propaganda By Riddle.

Analyses of the economic system may be likened to inspections of material in a contractor's yard. Imagine an enclosure in which is assembled every sort of material and every sort of implement necessary for the construction of any sort of building from a bungalow to a shipyard. In such a case the manner in which a constructional engineer would examine this assemblage of things would depend upon his first having a clear idea of what sort of building he proposed to construct. Given that, then, on the basis of his plans and working drawings he would select the necessary materials and ignore all the rest; he would decide on the quantity of each sort, and on the order of time in which he would require to draw upon it. And supposing that he proposed to explain to the public what his intentions were in order to win approval of them, he would sketch out a picture of the building, discuss the properties of the materials, etc., that he had selected, and indicate how he proposed to put them together. He might go into a lot of elaboration or might not, according to the kind of people whom he wished to convince; but in either case he would at least distinguish (1) between categories of material essential to this building and superfluous to it; and (2) between items in the chosen categories which were indispensable and those which were not. He would say, for example: "Here is a building of the type 'A'; for this I must have materials, etc., of types 'b' and 'c': among these types I shall want items 'd,' 'e,' 'f,' and so on: the sizes or quantities will be 1, 2, 4, and so on: the order and time in which I shall want them will be such and such." By this he would keep his proposition clear of every redundant factor and would enable his hearers to concentrate their attention on his "A, b, c, d, e, f, 1, 2, 4" combination, and to ignore the hundreds of other types and thousands of other items which might be shown in a complete inventory of the yard.

If he wrote a book, the reader would expect him to state his objective clearly, and to *weight his emphasis* according to the relative importance of the various materials and methods he proposed to employ. For instance, if he had written about building a steel-foundry, the reader would not expect to wade through a long chapter on wall-papers. Nor would he expect the same emphasis to be placed on a discussion on roofing-material as on foundational material. The question: tiles or slates?—might be appropriately touched on, but not until long after such question as concrete and girders, stresses and strains had been thoroughly discussed.

This analogy is inadequate in one respect, namely, that it assumes the erection of a new building;

whereas the problem of the economist in these days is to adapt an already existing system to achieve a desired result with as little disturbance as possible. The problem is, so to speak, to rebuild during business hours. This necessity enormously modifies the process of selection to which we have referred. The reconstructor has to select *out of his selected materials* those which will preserve continuity of effort while changing its direction. It is futile for him to explain what he would build on a virgin site or how he would do it. Take the dome of St. Paul's Cathedral. If only Providence could have been coaxed into holding it up in the air, the consulting engineers could have decided between different methods of rebuilding the pillars on which it was to rest. But as things were they had in the end to squirt fluid cement through the walls of the existing pillars to saturate the rubble within, thus stiffening the cores.

Mr. J. Taylor Peddie has recently published a book called *The Dual System of Stabilisation*. It consists of two parts, "Part I. of the book," says Mr. Peddie, in his preface, "is mainly concerned with destructive criticism, and Part II. with constructive proposals. The first chapter in Part II. is headed 'The Dual System of Stabilisation'; and this is where the reader would naturally look to find a description of the System. But no description is offered throughout the fifteen pages which this chapter covers. The nearest approach to anything like one is on page 120:

"The 'Dual System' may be summarised as a system that promotes purchasing power in two ways, namely:

- (1) Through prices tending to fall to their stable point.
- (2) Through increasing wages."

But this merely formulates the objective of the System instead of showing what materials and methods are to be used in its construction. Mr. Peddie immediately hurries on and explains in a series of lettered paragraphs what benefits can be expected to accrue from a simultaneous rise in wages and fall in prices. But nowhere does he show—in a working-drawing style at any rate—how he is going to guarantee this happy condition. He may, of course, reply that this "how" can be ascertained by a careful study of his "destructive criticisms" in Part I. But this is rather like telling the reader to wander through the yard and inspect the items in Mr. Peddie's inventory without the assistance of any lead from the author as to what materials are vital and what are merely desirable.

His criticisms appear as a series of disconnected essays on various aspects of the present economic system. Here are some chapter headings:

- The Return To The Gold Standard.
- What Is The Gold Standard?
- Effect Of An Increase in Bank Rate.
- Effect Of A Decrease in Bank Rate.
- On Government Securities As The Basis Of Credit.
- The Weight Of Taxation.
- Does Direct Taxation Force a Redistribution of Wealth?
- On Central Reserve Systems.
- Free Trade and Protection.
- Price and Value.

One illustration of Mr. Peddie's method of argument, taken from pp. 20-1, dealing with credit-expansion, may be quoted. Speaking of the problem of gold-shortage, he says:

"But if the mechanism which I advocate, and which for convenience I have described as the 'Dual System of Stabilisation,' were to be adopted universally, then it would enable each nation to adopt central banking practice without the need of a fixed ratio of 40 per cent. gold to 60 per cent. bills. All that would be necessary would be for each nation to hold a fixed maximum limit of gold reserves, without any fixed ratio. In the case of Great Britain, for instance, £175,000,000 is all that would

\* Macmillan. 190 pp. 8s. 6d. net.

be necessary for this purpose. . . . This is the most effective way by which nations may economise in the use of gold."

This is saying that if the Dual System is working *universally*, gold can be economised. But what Mr. Peddie should do is to show what should be done to get the Dual System working, whether universally or not. Again, granting for the sake of argument that the Dual System allows gold to be economised, there ought to be a demonstration somewhere in the book of how such economy can contribute towards the objective of decreasing prices and increasing incomes simultaneously. Is such economy an indispensable prerequisite of this result or does it merely facilitate its achievement?

The whole book gives one the impression of having been written for the education of members of the British Economic Federation, a body directed by Mr. Peddie since 1927. Nearly all his references to the Dual System are allusive and not expository. This would be permissible in a periodical circulating among initiates, who would presumably understand the significance of the allusions, but it is a hopeless method of trying to win intelligent support from a new public.

In his preface Mr. Peddie says that no part of his case is "based on theory." "The producers to-day have no time to waste on theory." An industrial economist, he declares, "must be able to observe and gather up sound economic tendencies which exist, and develop them into an economic concept of a practical nature, discarding those that are unsound, and that may be retarding progress." These extracts help to explain the indefiniteness of Mr. Peddie's book, a much better title for which would have been "The Concept of Dual Stabilisation."

He further says that although he has reviewed monetary technique and its relation to poverty and unemployment—

"I leave to the expert economists the business of approximating Central Banking mechanism to industrial requirements." (Our italics.)

Obviously then, only the *Concept* is Mr. Peddie's—the system which is to embody it being left for these expert economists to design.

### The Films.

#### The "W" Plan: Empire.

On the basis of all-round excellence, I would call "The 'W' Plan" the most satisfying British talkie I have yet seen. A good and exciting story, thrills, suspense, admirable acting and photography, distinctive atmosphere, editing and photo-studios, and first-class entertainment characterise this production, which affords an outstanding example of how a film may be extraordinarily good without any pretence to greatness. Incidentally, it is one of the few successful screen adaptations to date of a novel. Among the excellent cast I would specially mention Brian Aberne, Mary Jerold, Gordon Harker, and Madeleine Carroll. I have always had an admiration for Miss Carroll, who is one of the few English film actresses who can act in addition to being pleasing to the eye, and although her part in this film is relatively small, her interpretation should please her warmest admirers. British International Pictures and Victor Saville, the director, are to be congratulated on "The 'W' Plan," which I strongly recommend my readers to see on its general release.

#### The Blue Angel: Regal.

Few talkie debuts have been awaited with greater interest than that of Emil Jannings. Anticipation has in his case been coloured by the fact that he left Hollywood in order to return to the Ufa Studios,

while the co-operation of Erich Pommer and Joseph von Sternberg as producer and director, respectively, lent additional promise to "The Blue Angel." This was greeted as a masterpiece on its first showing in Berlin, and the English critics have also fallen over each other in heaping superlatives on the production. I regret being unable to share their enthusiasm.

Not that "The Blue Angel" has not points of excellence, notably the acting and photography, while in the earlier sequences very effective and skilful use is made of sound, including the confused voices of a number of people talking at once. The first part of the film is also remarkably atmospheric, with a strong impregnation of the sinister and the macabre, and the ultimate tragedy makes itself felt at the outset. But the good points are too heavily off-set by the defects. Jannings is, as usual, given a banal story—a mixture of "Vaudeville" with about half a dozen of his roles in American films, plus a dash of "The Street"—and the psychology of the whole story is unconvincing. There is nothing impossible in the conception of an elderly bachelor professor becoming infatuated with a cabaret singer of easy morals and in his infatuation leading to physical and moral degeneration, but that he should "fall for" the lady at first sight, and succumb without even the hint of a struggle, belong to the vein of the machine-made film plays of Hollywood.

From the Ufa Studios and Erich Pommer we have been led to expect better, and even the fact that "The Blue Angel" appears to have been made mainly with an eye to the British and American markets is no excuse. An allied defect, although this is for all I know due to cutting, is that while the action in the first part of the film moves if anything too slowly, we are shown the progressive steps in the Professor's degradation in a fashion that is abrupt to the degree of violence. I am all for leaving something to the imagination of the spectator, but in this instance the result is inartistic.

An extremely irritating characteristic, which presumably does not exist in the German version, is the mixture of languages, often in the course of a single short speech. In this respect the film has been bungled; while some of the German speech is so married to the action for the meaning to be obvious to an English audience, on other occasions German is spoken which the average non-German audience must find almost impossible to follow. These production defects are inexcusable.

The best quality of "The Blue Angel" is its acting. The minor parts are excellent and admirably cast; Jannings has never given a more finished performance, and in Marlene Dietrich he has for the first time been accorded the opportunity of playing with an actress worthy of his own gifts. Indeed, Miss Dietrich, who has already been snapped up by Hollywood, steals some of the scenes from him. What Hollywood will make of this very talented artist remains to be seen; it is to be hoped that she will be given less stereotyped roles than fell to the lot of Jannings during the greater part of his stay in America.

Do not let me discourage anyone from seeing "The Blue Angel." But if you expect a masterpiece you will be disappointed.

DAVID OCKHAM.

"The family which is believed to have paid the heaviest levy in death duties in late years has been that of Coats, the sewing-thread makers. Including Lord Glentanar, who left over four and a half millions, Mr. W. A. Coats, who bequeathed nearly four millions, and Mr. Peter Coats, who left two and a half millions, it is estimated that the Coats family have contributed in death levies nearly £5,000,000."—*Evening Standard*, August 16.

### Feminism Again.

A humorous leader in *The Times* refers to the proposal of the Post Office to replace men telephone operators at night with women. Women, it is said, are more efficient, the proof being statistics. *The Times* wag suggests that between calls in the night the men read Carlyle, Eddington, or Keith. The humour would not be too bad if the subject were properly humorous. *The Times* leader, be it noted, does not oppose the replacement of men by women for night-work, which has already taken place in the United States, with presumably satisfactory results. The proposal, however, is not merely in the interests of efficiency. There seems no guarantee that greater efficiency will follow. In the night, when calls are unfrequent, the women must knit, read, converse, or go to sleep. There must be many reasons why a during-the-night service cannot both be low in cost and efficient. But the object cannot be other than the reduction of cost, and the project falls into the mosaic of the whole question of female against male employment.

It is a general and confirmed experience that women do monotonous, repetitive tasks with greater steadiness, rapidity, and concentration than men or boys give or can give. Nearly all these jobs are such as could be done by machinery, and in most of them the woman is merely the step from the man to the machine. In many offices when a traveller canvassing orders for a machine lends one for trial, a woman is set to compete with it. If she defeats it that class of labour is preserved for the time being for her tribe; if she fails another peg on which an income used to hang is pulled out. So it is in the telephone service. Women in the night tend to delay the installation of automatic exchanges, and thus effect two things together: first, they preserve a task for a wage-earner under the present system, and delay the leisure-state by rendering the present system workable a little longer.

At a time when the productive capacity of industry was very much less than it is, before Nature, invention, and Mrs. Pither had risen to confound Malthus, leaving only the bishops on his side, industrial legislation was motivated to some extent by "racial," not merely by "cost" or "efficiency" values. Women were taken out of certain industries, and prohibited from working during the hours of the night for their babies' sakes. Stupid as the nineteenth century was in many things, it had more sense on the woman question than this epoch of feminine emancipation. At that time the middle-class clerk could keep a family of daughters and leave them a substantial legacy. Now with machinery to multiply the productivity of every process, the cost of the little finally enjoyed goes continually up in terms of toil, while racial values are more and more neglected. Efficiency is fundamentally no better a reason for employing women on these monotonous, mechanical tasks now than then. The machine is more efficient than the woman.

But the problem is wider still. It is not merely in counting change, totting figures, copying letters, or answering telephone-calls where women are replacing men. It is in journalism—*Times* leader writers, please note—in all the professions, and in the Civil and Municipal Services; the women flyers of Oxford protest that they have no avenue into the Air Force. Unless we institute the state of creative leisure, we

are likely to be landed in a state of banker slave-owners and women-slaves. The preparation of modern civilisation, as Mr. Kenway remarked, in discussion of his excellent New Zealand book, was done by men pioneers, inventors, discoverers, artists, architects, poets, and the rest of them. The dangers, apart from childbirth, which is racial and must last as long as mankind, necessarily incurred in creating a civilisation have been borne by the male. Loneliness, war, shipwreck, a thousand risks and disasters, were borne by the male human in making the world fit for women to live in. This, as every pioneer and forest-clearer will admit, is what inspired them. That a woman might have silks and satins and a child a cradle and toys is the origin of all industry, as the defence of the rights of property was the origin of all politics.

At present the whole civilised world is at a cross-roads. The alternative, expansion or stabilisation, is not confined to money and markets. In the leisure-state idea it expands to invention and artistic creation. Stabilisation means being contented with what we have and making it orderly. That is its best meaning. At its worst it means forcing most people to be content with less in the interests of order and regularity. A stabilised world would assuredly be one of master-bankers and slave-women, with women police, doctors, lawyers, journalists, clerks, typists, telephonists, aeronauts, and everything. As soon as any job, no matter what it is, is stabilised, women can do it as well as men. Whether women "create" is beside the point. There are male spirits in women's bodies and women's in men's bodies. Certain it is that adventurous creation outside the forms already attained by society as a whole, or by the individual spirit, has been achieved almost wholly by spirits in male bodies. Even in literary experiment the men are the more creative, as Joyce, with all his faults, is more visionarily adventurous than Gertrude Stein.

This obligation on men to insist on expansive against stabilising values, on racial against efficiency, on leisure against "cost" standards, is at the same time a test for men. Either they accept the obligation or they become less indispensable to the sociological form in any capacity. The neutral woman will execute and administer what the financier proposes, and the son of man will have nowhere to lay his head or prop his feet. The transfer of economic functions to women reflects a spiritually contracting tendency, and it is for man to see that they are transferred to the machine. There is no serious objection to a few women lawyers, politicians, doctors, if women are self-elected or elected to such functions after they can have leisure as an alternative, and after as many as can be wiped out by co-ordination of production and consumption have disappeared. But man must justify his right to exist by his adventurousness of spirit in further science, poetry, and art, and in political ideas for the further development of mankind. Otherwise he has made of the whole planet a toy for women to play with alone.

R. M.

"When a verdict of Suicide While of Unsound Mind was recorded at a Liverpool inquest on a well-known wholesale hardware dealer, Mr. Baron Stern, the coroner said he appeared to be another victim of the state of trade, and no doubt the statements of his financial advisers acted as a last straw. A son stated that Mr. Stern went to see his bank manager, who advised him to realise on certain shares, as he was of the opinion that a general crash was coming. His father then went to his stockbroker, who told him to 'Hang on,' as there was a chance of things being better."—*Press* item, August 5.

### Current Political Economy.

For many years the remedy propounded by *The Times* for "industrial unrest," as it used to be called, was that the working-classes should study economics. Dry bread, it would have been natural to suppose, could have become palatable, if at all, accompanied rather by one of Mr. Edgar Wallace's thrillers than by one of Professor Marshall's or even Hobson's text-books; but for some reason or another *The Times* had the idea that the study of economics would take the worker's mind off his hungry body, to give which relief *The Times* was willing to risk making Jack as wise as his master. When the bishop was asked why he did not practise the "Sermon on the Mount," he replied that as a professional priest he could see no more obligation to follow all his own precepts than the lawyer to take all his own advice, or the doctor to drink all his own medicines. *The Times* might give this reason for its neglect of economics. But perhaps the economics which *The Times* advised the discontented workers to read was the same as those who supply light and guidance appear to have read: that supplied by crammers to enable performing sheep to jump examiners' hurdles.

At present deadlock has been reached between the employers and workers in the Lancashire cotton-weaving industry. Neither side displays much foresight, as disputants rarely do after the quarrel has begun. The bone of contention is whether the eight looms per weaver system shall replace the four looms per weaver system, and, if so, on what terms. The operatives do not appear quite to know their own minds on the first issue, which is why they are so shortsighted on the second. The employers do know their own minds on the first issue, but on the second they are less wise than their workpeople, with more responsibility to be wise. Here, undoubtedly, is an opportunity for counsel, which *The Times*, in a leader exceeding a column, rushes in to give.

"The resistance of the operatives to the Burnley scale, which certainly does not appear to be unreasonable," (Whether the resistance or the thing resisted is unreasonable is left to the imagination.)

"has no doubt been strengthened by a recent decision of a court of referees, which held that a weaver was justified in refusing to work on an eight-loom system at 49s. 4d. a week."

In its leader *The Times* says that the difference between the rates paid by a firm in Nelson for eight-loom weaving and in Burnley is not clear; in its news columns it gives both rates, the Burnley rate being about 50s. per week. The situation in which the employers (solvent, nearly bankrupt, and bankrupt) and the employees (fully, partly, and unemployed) find themselves is this: the employers, without being sure, think that they may revive the cotton-weaving industry if the weavers will take over fifty looms each instead of four in return for what are fifty shillings or thereabouts will buy per week; and are sure that they cannot revive the industry if they pay more. The workers are wondering whether anything in the world, prison, emigration, starvation, or riot, could be worse than the eight loom system at fifty shillings a week, although, with that senseless economy of body, soul and spirit, which the working classes have always practised to make life easier for statesmen and others, they are willing to accept the new system for three pounds a week. Enter, then, *The Times* with its counsel.

"To those who had been hoping... Government Enquiry... settle down to the urgent business of putting its own house in order... must come as a severe disappointment... because of co-operation not learned... Clynes report laid special stress... need

for adjustment... unfortunately the operatives... time-honoured tactics of obstruction... our cotton industry—to say nothing of other export trades... costs are too high... any system which enables wage-costs to be reduced without impairing individual earnings ought to be welcomed... more far-sighted leaders... perfectly aware... elementary truths... hands... tied... less enlightened... insistence... completely nullify... meanwhile it is plain... requisite breadth of vision lacking... single firm acting on its own initiative... abandonment of traditional system of collective bargaining... complete chaos... employers should preserve a united front... no time to be lost if serious trouble is to be avoided.

A student of form (arty not horsey) would remark that the admonitions of *The Times* are composed in the lullaby-form. But there is such a lump of *The Times* for twopence, and either the lump has to continue or there may be a shortage of one of the raw materials required by the Lancashire fish-and-chip trade.

A short time ago two big daily newspapers realised that their two "publics" could be supplied by one staff. Every journalist saw something of the eight-ooms for four system that day. Unless the product of newspaper writers were to become more individuated, there is no need for more than one newspaper staff altogether, which could issue a dignified edition for the study and a vulgar edition for the people. The individual earnings of the journalists employed could be increased, the rest at first constituting a patriotic sacrifice in the interests of rationalisation. Then a great campaign could be opened for producing other countries' newspapers on similar lines, and delivering them by air at a lower cost in wages and salaries than prevails where they are now produced. As *The Times* leader is obviously a long-standing one developed into a printed draft requiring only the insertion of dates, place-names, and descriptions of the industries under discussion, there seems no reason why the cotton operative should not work a dozen looms and the suggested printing press at the same time, and, with a slight lengthening of his hours of employment, write the articles also.

When co-operation was a principle of political-economic value *The Times* affirmed "competition" as the word of God, and treated co-operation as anathema. Now that only co-ordination between productive-power and consumer-purchasing-power is of the slightest use *The Times* is still as far behind itself as it was. Let the Lancashire cotton operative take on as many looms as increasing automaticity will allow between eight and eighty. Let him work for a cotton bag of oats a week, with smaller bags for his family: let him give up drink, tobacco, betting, pork-pies, trotters, black-pudding, hot-pot, football-matches, Blackpool rock, and *The Times*. Immediate results would be the bankruptcy of every shopkeeper in Lancashire and of nearly all the land-ladies of Blackpool. Intermediate results would be that the cotton-workers of Japan, Milan, and elsewhere, would have to choose between half a bag of oats and fighting the Lancashireman (not with clogs) for his bag. The problem of every country is the same. It has surplus workers and surplus goods. It can either kill off the surplus workers and sterilise ninety per cent. of all future children of the remainder, and at the same time limit production; or it can give the people access to the goods by turning its attention to the problem of co-ordination.

It may be true that cotton machinery, partly as a result of the marvellous workability of the material, exceeds in productive capacity the world's natural demanding capacity. It may be that the world prefers "rayons" to cotton. Common-sense would not despair about that. It would co-ordinate

need and the productive effort required to supply it, while giving season-tickets for everything to the surplus workers. For several months, however, the world wheat producing industry has been agitated by the fear of Russia entering the world-market as a wheat exporter on a large scale. If Russia were to do so, somebody must be ruined. Not even the almost complete failure of the United States' wheat crop in the extraordinary drought could make other wheat growers prosperous if Russia also had wheat to sell. Somebody's wheat has to be left. The advice of *The Times* in such a situation must inevitably be that in order to get rid of your wheat you should not consume any yourself, thus reducing costs. On the real madness of the world none of the pundits, Wells, Shaw, or any of them, has a word to say. The great Shaw once remarked that the poverty of the poor would be cured if the rich would get off their backs. The poverty of the poor will be cured when the bankers' stitches are taken from their pockets.

BEN WILSON.

## Oil.

By Arthur Brenton.

### II.

#### SCENE VII.

*Student outside Bluebeard's Cave. Night-time. Enter Official with filled sack. Does something at the entrance, and two heavy rocks rumble apart. Official enters, reappearing a few moments after with empty sack. Closes up entrance and is proceeding to depart.*

S.—Good evening, Sir—excuse me—  
O.—How in the name of thunder did you get here?  
S.—Oh, I'm sorry, I didn't know that I was—  
O.—Trespassing! Well you are, and worse. Didn't you meet a guard? But there, you couldn't, or you wouldn't be here.  
S.—But why shouldn't I be here?  
O.—Because nobody must know of this place and especially that I come to it?  
S.—But you're doing no harm.  
O.—It's you doing the harm.  
S.—What harm?  
O.—I don't know. But I do know that if the High Elders get to hear of this there will be something awful happen to me.  
S.—Who are the High Elders and why should—?  
O.—Nobody knows. But it's understood that if the secrets of this cave get out a curse will fall on the oil-field.  
S.—(Sotto voce.) There, I said there was witchcraft about. (Aloud.) What sort of curse?  
O.—I don't know exactly. They say that all the oil under the field will dry up, and everybody will suffer ruin.  
S.—But, my dear sir, what can that matter? It's practically all sealed up now.  
O.—I can't say anything about that—I told you I didn't understand. You must go away at once; and I implore you not to let this meeting come to the ears of the High Elders.  
S.—All right. I'm sure I don't want you to get into trouble. But tell me, what do you do here?  
O.—I suppose I must, seeing you've discovered me. But you won't say how you got to know what I shall tell you?  
S.—Oh no.  
O.—Well that sack you saw was full of white tickets.  
S.—Oh yes. Those are the tickets the banker lends to the well-owners and others.  
O.—Yes; but these are not for lending; they are tickets that have already been lent, and have now come back to the banker. I have to fetch them from the bank every night and put them in this cave.  
S.—Ah, and how do you take them back in the daylight without being seen?  
O.—Take them back? These tickets never come out of this cave again. They are all cancelled. We call them dead permits.  
S.—Dead permits for oil, I suppose?  
O.—Yes.  
S.—How long has this been going on?  
O.—Ever since any of us can remember or hear told of in the bank.  
S.—But how does the banker keep on lending? His stock of tickets must come to an end some time.

O.—It can't end. He prints them in the bank, and prints exactly as many as he wants day by day. These we call live permits.

S.—I see. That is very interesting. What will you do when the cave is full?

O.—Oh, it will never be full. It leads to immense caverns which nobody has fully explored yet.

S.—It would be interesting to know how many tickets have gone in. Where is the record kept?

O.—There is no record. Why should there be? The banker must of course count up live tickets out on loan, but once he gets them back there's no object in keeping count of them any more.

S.—No, I suppose not. Yet I can't help feeling that—

O.—I know what you're going to say. But the banker must not keep such a record. It would confuse the people and raise false hopes as well. Take to-day for instance. He received back 2,000 tickets and lent only 1,000. Suppose he had put a notice up to say so: you would have had people coming and saying: "Here, you can afford to lend another 1,000 tickets." Of course they wouldn't understand that the repaid tickets were dead ones. How should they?

S.—No; how should they!

O.—It is clear enough if you go into it. A white ticket repaid to the banker is an oil-permit which somebody must have spent on oil when it was circulating. Very well, the banker can't lend out a spent oil-permit to be spent on oil again, can he?

S.—Er . . . well . . . n-no.

O.—So, as the tickets arrive at the bank they are whipped into this sack at once and locked up until I take them away.

S.—Listen. I was talking to a gentleman yesterday who had lost all his white tickets on an oil-well.

O.—That's nothing. Lots of them are doing that every day.

S.—Yes, but this is the point. He borrowed 1,000 tickets and paid them away to get his well sunk. Then he sold the well for 1,000 tickets and repaid 950 to the banker. I suppose that on the evening of that day the 950 tickets went into your sack and are now in the cave?

O.—Undoubtedly.

S.—But these tickets were not spent oil-permits—what I mean is that the people who parted with them did not get any oil for them. How were these tickets dead ones?

O.—Now, you must not take me out of my depth. I only know that all tickets which come back to the bank have to be dead. That is the rule. If the banker allowed any fanciful exceptions he would get in an awful tangle with his figures.

S.—Well, I suppose you know. But it seems a strange thing that this gentleman and his friends give up 950 live oil-permits and you bury them in this cave without their having bought any oil. It seems to me that oil-permits are being buried alive—

O.—Buried alive?!

S.—and without a doctor's certificate.

O.—I don't understand you. . . . But you must excuse me—I must go. My orders are to get away two hours before sunrise.

S.—Well, if that's so, I won't detain you. Good night.

### SCENE VIII.

*A few hours later on the oil-field. Enter business Manager.*

S.—Good morning, sir. What sort of work do you do on this field?

B.—Well, I can only answer that question by telling you the sort of work I have been doing.

S.—Well, that's the same thing for my purpose.

B.—I have been engaged in managing the field generally.

S.—Sinking wells?

B.—Yes, and capping them.

S.—There must be enormous quantities of oil under those caps. Have you any idea how much?

B.—I cannot put it into figures. But the supply is continuous and inexhaustible for all practical purposes.

S.—That is why I referred to my work in the past tense. There now remains nothing much more for me to do except to repair damage and stop leakage.

S.—Yes. I was noticing recently that the field looks like a sheet of iron. Really, it appears to me that you have now got one single huge well as wide as the field.

B.—It amounts to that.

S.—Considering it as one well; supposing you uncapped it; how much oil would come out every week?

B.—On a moderate estimate I should say easily four or five gallons per head of the population.

S.—And would that go on indefinitely?

B.—Yes; I cannot see any end to the supply.  
S.—So if you got instructions to arrange for this supply you could produce the oil?

B.—Undoubtedly—if I got the instructions. But there's the snag. My instructions have always been in the opposite sense.

S.—But isn't it ridiculous when you come to look at it? Everybody on the field, without exception, wants more oil, the owners no less than the men. Why should the owners hoard up oil where nobody can get at it—not even themselves?

B.—I ask myself that question very often. But it is futile to do so. You must not consider the problem in a physical sense but in a financial sense.

S.—What do you mean by "financial"?

B.—The word refers to the red and white tickets.

S.—Yes, I've heard about those. I understand that there is always a shortage of white ones. Also, that there is very often a surplus of red ones, for they tear them up. Nobody seems to tear up white tickets.

B.—Ha, ha! No, you're quite right there.

S.—But I think it's just as big a joke when they tear up red ones—because, after all, they had to give up white ones to get the red ones.

B.—You may be right. But in business there must not be over-capitalisation.

S.—What is that?

B.—Well, you must not have too much capital in relation to your revenue.

S.—Does that mean that you mustn't have too many red tickets in relation to the number of white ones that you can collect?

B.—Yes.

S.—Who says you mustn't?

B.—Nobody in particular. It is a well-understood law of finance.

S.—Well, I don't understand it. For instance, why isn't it a law of finance that people must not have too few white tickets in relation to the number of red ones which the well-owners have?

B.—It is no use asking me conundrums. You must be practical. The owners have no control over the number of white tickets that are on the field, but they can control the number of red ones.

S.—Who controls the white ones?

B.—I've no knowledge that anybody controls them. All I know is that it is the most efficient oil-owners who get them. The tickets flow to the business which works most economically. That's the only control I know of—

S.—Do you know where white tickets come from—I mean, in the beginning?

B.—I don't trouble about it. I go by experience, which tells me that the best managed oil business can get them, and the worst cannot.

S.—Well, let's leave that. Tell me, do you know how many red tickets have been printed altogether since the first well was sunk here?

B.—Oh, you mean the total of capital issued. Yes, it amounts to about nine thousand million tickets. But that is not the total at present, because the tearing-up of tickets has been going on all the time.

S.—How many have been torn up altogether?

B.—About four thousand million.

S.—So there are five thousand million red tickets left. Have you any idea how many white ones there are about?

B.—Yes; that is recorded by the bank, chiefly under the name of "deposits." The total is just about two thousand million.

S.—Have people actually paid nine thousand million white tickets for the red ones?

B.—I don't know. But the four thousand millions now recorded is paid-up capital. So white tickets to that amount must have been paid at some time.

S.—But there must have been two thousand million of them torn up if only two thousand million are now in existence.

B.—Nonsense. Who would tear up white tickets?

S.—Or hide them?

B.—As you like. I must be going now.

S.—Well, thank you for your information. I am sorry if I've detained you.

B.—Not at all. Good morning.

### SCENE IX.

*Student outside Bluebeard's cave, on the point of sunrise the next morning.*

S.—Now, I wonder if that boy hasn't got mixed up about what he saw here. If he was here at sunrise as he said, he

could not have seen the fellow with the sack. But who else could open the entrance to the cave?

*The edge of the sun appears. On this instant the two rocks rumble apart, and the Ancient appears from inside. He is grotesque in size, shape, and dress. He drags after him a sack of tickets and a log of wood. He deposits the log outside the entrance and sits on it beside the sack. Suddenly sees Student.*

A.—By the Splendour of God, a wise man at last.  
S.—Excuse me. What do you mean? Who are you? Why do you call me a wise—?

A.—You are a mortal, and therefore you want oil.

S.—Well, I don't know exactly what I am just here and now. I don't really belong here, and I don't want oil.

A.—Alas. I should have guessed it. Nobody comes here who wants oil. Nobody comes at all. You come from another world.

S.—I suppose I do.

A.—So do I—the underworld. I preside over the oil springs down there.

S.—How long have you been there?

A.—Since the beginning of time.

S.—And what do you come up here for?

A.—Because these mortals are in danger. I come to warn them.

S.—What danger?

A.—Oil.

S.—Oil? Their trouble is that they can't get any.

A.—That is the same thing. If they do not get some soon there will be an eruption of the field and they will be drowned in oil.

S.—Why? What is happening down below?

A.—These fools are driving down wells and tapping new springs like mad. The oil cannot rise through the wells and it has been pouring away down in the unfathomable depths of the caverns.

S.—That's a waste if you like. But—

A.—It is now a danger. Not long ago I saw something that I had never seen before. It was the surface of the oil ocean.

S.—You mean that—?

A.—The oil has plunged down and flowed out through immeasurable distances, and has filled every cavity. No space is left to hold it but the topmost caverns near the earth's surface.

S.—You mean that the tide is still rising?

A.—Yes, I do. For these fools do not understand. I remember the Great Flood of water. The next flood will be Oil.

S.—What are you going to do about it?

A.—What I am doing. You see this sack. In it are white tickets, the which, if any mortal will use, he shall have oil.

S.—But where do you get them?

A.—Out of this cave.

S.—But they must be the tickets that the Bank Official brings here.

A.—I know. Don't I see him every night stealing in with his chin over his shoulder. He's the biggest fool of the lot.

S.—But don't you know that these are cancelled tickets?

A.—What do I care about cancelled tickets? All tickets are the same to me if they will stop the flood rising. In truth I would have no tickets at all; but these mortals have thought it wise to use tickets, so I must put up with it. Therefore these will do seeing that they are here.

S.—But you are offering cancelled oil-permits. That's what those tickets are.

A.—Bah! Call them cancelled oil-permits if you like. My answer will be that I am offering cancelled oil.

S.—Cancelled—?

A.—Yes. What else can you call oil which these people have set free and then imprisoned? The oilfloods are the same oil as they are getting, and these tickets are the same as they are using. Look at one. [*Hands one to Student.*] Can you see any difference?

S.—I can't see the slightest. Well tell me what you want to do?

A.—I am offering to give two of these tickets for every ticket now being spent on oil.

S.—Why two?

A.—I am starting at two. If two are not sufficient to stop the flood rising, I shall give three, four, any number until it stays still.

S.—But will your tickets be used to buy oil? I ask, because people use them to buy oil-wells. That's no use to you is it?

A.—No. And for that reason I shall have to instruct the well-owners to let out extra oil for the extra tickets.

S.—Will they do it?

A.—Why not, if I make it a condition? They are as much in need of oil as anyone else.

S.—Well, you can only find out by asking them?

A.—I have no fear of that. My tragedy is to sit waiting day after day, and nobody comes near. And now I must go.

S.—Why not stay?

A.—That is no use. My eyes cannot stand daylight for long. Besides that, this place is occupied during the day.

S.—What people occupy it?

A.—The publishers of a paper called the *Oil Fields Daily Mail*. They have a large pavilion which completely covers the mouth of this cave.

S.—So nobody can tell that the cave is here?

A.—And even if I stayed I should not be able to warn people. For the publishers are shouting all the time: "Save your white tickets and buy red ones"; and they hang out long lists of different red tickets with market quotations as they call them. Who would then listen when I told them to spend white tickets? . . . And now I will bid you farewell.

[Enters cave. Rocks close up.]

## A Mechanical View of Economics.

By C. H. Douglas.

[Reprinted from THE NEW AGE, January, 1919.]

Elsewhere\* an attempt has been made to show the dangerously false premises on which the New Unionist Party bases all its hopes of Reconstruction. As THE NEW AGE has pointed out, the keynote of the symphony we are to play under the conduct of Mr. Lloyd George and the industrial federations behind him is production, production, yet more production; and by this simple remedy we are to change from a nation with a C<sub>3</sub> population and many grievances into a band of busy B's (or is it A's?), healthy, wealthy, happy and wise.

It is a simple little remedy—one wonders why we never thought of it before. You seize any unconsidered trifle of matter which may be lying about, preferably on your neighbour's territory, and you make it into something else quite unspecified. You assert by a process of arithmetical ledger-deman known as cost accounting that the value of the original matter, which we may call "a" is now  $a + (b+c) + (d+e)$ , "b" being labour, "c" overhead charges, "d" selling charges, and "e" profit, and that the "wealth" of the country is increased by this operation in respect of a sum equal to  $b+c+d+e$ . With the aid of your banking system you now create credits which show that "a" is  $a+etc.-(x+y)$  (where "x" is loss in trading, etc., and "y" is depreciation) and there you are—A.

The chief objection to this otherwise fascinating idea is that despite a large body of most respectable and even highly paid accountants and bankers who will produce quantities of figures to prove that "a" has now become (a+b, etc.) and that the wealth of the country has been increased, etc., etc., the facts do not, unfortunately, confirm their statements.

The power used in doing work on "a" has been dissipated in heat and otherwise; the tools have been worn, the workmen have consumed food and clothes and have occupied houses, and what you have actually got is "a" minus any portion of "a" lost in conversion; b, c, d, e, etc., are the price paid by the community for the increased adaptability of "a" to the needs of the community, which price must in the last event be paid for in effort. The question of the gain in adaptability depends on what you produce, but payment is inevitable.

It is not the purpose of this short article to depreciate the services of accountants; in fact, under the existing conditions probably no body of men has done more to crystallise the data on which we carry on the business of the world; but the utter confusion of thought which has undoubtedly arisen from the calm assumption of the book-keeper and the accountant that he and he alone was in a position to assign positive or negative values to the quantities represented by his figures is one of the outstanding curiosities of the industrial system; and the attempt to mould the activities of a great empire on such a basis is surely the final condemnation of an out-worn method.

While the effect of the concrete sum distributed as profit is overrated in the attacks made on the capitalistic system,

\* "English Review" for December, 1918.

and is far and increasingly less important than the overhead charges added to the value of the product in computing its factory cost, it is the dominant factor in the political aspect of the situation, because the equation of production is stated by the capitalist in a form which requires it to be solved in terms of selling price while "e," the profit, is always a plus quantity.

Now the prime necessity of the situation, which is world-wide at this time, is to realise that in economics we are dealing with the facts and not figures; and mechanical facts at that. The conversion of a bar of iron into a nut and bolt and its change in price from 2d. or 3d. to, say, 1s. means absolutely nothing at all beyond the fact that we have transformed a certain amount of potential energy into work in the process of changing the bar of iron into a nut and bolt, and that an arbitrary and totally empirical measure of this potential energy in various forms is contained in the figures of price. The factor which gives real character to the operation is the "inducement to produce." If the object of this use of material and energy is simply finance, we shall get a financial result of some sort—but two real things result in any case. First we have definitely decreased the energy potentially available for all other purposes, and secondly we have obtained simply a nut and bolt, in return for a bar of iron and a definite amount of energy dissipated.

If by wealth is meant the original meaning attached to the word—"well-being"—the value in well-being to be attached to our bolt and nut depends entirely on its use for the promotion of well-being (unless we admire bolts and nuts as ornaments), and bears no relation whatever to the empirical process of giving values to a, b, and c, etc.

Let us particularise: The immediate necessity as to which all political parties are agreed is improved housing. The financier says, "Yes, you shall have money for housing as the result of building gunboats for Chile," thereby implying that there is a chain of causation between gunboats for Chile and houses for Camberwell. Not only is there no such real chain of causation, but the building of gunboats for Chile, or elsewhere, decreases the energy available to build those houses, and when the total available energy is utilised, as has been approximately the case during the war, and may easily be so again, not all the gunboats ever sold, no matter what the accounting figures attached to the transaction may indicate in added wealth to this country, will produce one house at Camberwell, or anywhere else.

The matter is really very serious. The economic effect of charging all the waste in industry to the consumer so curtails his purchasing power that an increasing percentage of the product of industry must be exported. The effect of this on the worker is that he has to do many times the amount of work which should be necessary to keep him in the highest standard of living, as a result of an artificial inducement to produce things he does not want, which he cannot buy, and which are of no use to the attainment of his internal standard of well-being. While the general comprehension of the process is possibly too technical for his general comprehension, he has grasped the drift of the situation and shows every sign of a determination to make things interesting. On the other hand, we see a good sound reason for the capitalist's hatred for internationalism; failing interest, and will be faced with the horrible prospect of dividing up the world's production amongst the individuals who produce. In which case a larger number of people than at present will agree that it is possible to overproduce gunboats. Given this situation, what will be the result of a "strong" Coalition Government?

### SUICIDES' ZERO HOUR.

As an addendum to Major Douglas's graph of suicide and bankruptcy curves published in THE NEW AGE of June 26, the following extract from a newspaper will be interesting:

"According to Dr. Frederick L. Hoffman, statistician to an American insurance company, between 40,000 and 50,000 persons in the United States annually attempt to take their lives and nearly 18,000 are successful.

"Dr. Warren, president of the National Save a Life League, says that research by the league bore out the fact that the zero hour for suicides was 11 a.m. Tuesday, more persons taking their lives at this moment than in any others. The explanation lay in the psychological fact that many people disheartened during the week await a promised Monday for fulfilment, quotes the Central News. When that dawned and they were put off until to-morrow only to meet failure again they turned to death."

## Reviews.

**Baby Contract Book.** By A. E. Manning-Foster. (John Waddington, Ltd., Wakefield Road, Leeds. 1s. net.)

This is a vest-pocket-sized text-book (66 pp.) by the editor of the *Bridge Magazine*. It is intended for the instruction of Bridge players who already understand Auction Bridge and wish to try Contract Bridge. It gives hints, definitions, rules, and other information, including two illustrations of cases from actual play.

**The Autocracy of Mr. Parham.** By H. G. Wells. (Heinemann. 7s. 6d.)

Mr. Parham is an Oxford Don who is alarmed by the onset of modern ideas, and the disappearance of the traditional ideals of loyalty, subservience of the lower classes, militant patriotism, and all that sort of thing. In the hope that he can persuade him to found a magazine for the revival of these virtues, he courts a millionaire industrialist, Sir Bussy Woodcock, who uses Mr. Parham as his guide in a vague search for "culture." The two at length get involved in spiritualism, and attend a séance in which a spirit, announcing himself as a militant leader from Mars, who has come to restore decency and order to earth, clothes himself in the body of Mr. Parham, and starts a crusade for the revival of a fierce "regional patriotism" in these islands. The super-Parham organises a Fascist body of patriots, clears Parliament by force, and appoints himself as Lord Paramount of Britain. Putting into action the ideas he had developed in his earlier career, he organises a world conspiracy against Russia. This leads to disagreement with America: through a misunderstanding of orders the British and American fleets destroy each other mutually, thus relieving the world from the restraints imposed by the Anglo-Saxon domination of the seas. The wars are not slow to act on their new-found freedom: and culminate in a renewal of the struggle between France and Germany. Britain is involved as an Ally of France, the Lord Paramount dealing in true Mussolini fashion with the protests of the nation's pacifists.

The war is, of course, one of air-raids and poison gases; and the Lord Paramount and his military technician, General Gerson, are anxious to make use of an especially diabolical gas discovered as a by-product of one of Sir Bussy's commercial processes. Sir Bussy and his scientists refuse to supply the gas, so Parham and Gerson make an attack on their works at Cayme, off the coast of Cornwall, where they have raised the sea-bottom to form dry land. The raiding party are entrapped in the works; Gerson shoots one of the scientists, exploding a gigantic retort of incendiary gas. . . . At this point Parham wakes up, for the whole episode is nothing but a dream, produced by the noise caused as a septic present at the séance exposes the fraud of the medium. The noise has also caused Sir Bussy to dream, but in his case the dream convinces him that his place is on the side of the new ideals as opposed to those of the past. He decides to produce his paper on modernist lines, so Parham's vision of becoming its editor vanishes.

I. O. E.

**The Mental Development of the Child.** By Karl Bühler. (International Library of Psychology. Kegan Paul. 8s. 6d.)

The cover of this book promises a valuable survey of child psychology, together with sidelights on prehistory and the psychology of primitive peoples. I must confess to have been bitterly disappointed. From this point of view it is vastly inferior to "A Child's Conception of the Universe," by Prof. Jean Piaget. It is true that the author only claims to be giving a longitudinal section of child-psychology, and refers the reader to "Kindheit und Jugend," by Charlotte Bühler, for the cross section. But the overloaded academic style, and the ponderous intellectual machinery brought to bear on the problem of child-mentality are like cannon trained on butterflies. I am reminded of another Professor who used to ask his class: "Gentlemen, do you know what Science is? It consists of describing facts which everyone knows in language that no one can understand, and calling that an explanation." That saying alone might stand as a review of this book, were it not for a chapter on children's drawings with facsimiles of actual sketches. Here Prof. Bühler, condescending to become intelligible, also becomes really interesting.

Most of the drawings are such as everyone is familiar with; such, indeed, as most of us would turn out to-day if asked to draw a man, a horse, or a boat. That is to say, that while they are anatomically impossible and grotesquely unlike the objects they are meant to represent, it is yet clear at a glance what those objects are. Professor Bühler's view is that this kind of drawing is not really drawing at all, in the proper sense (as all teachers of drawing know to their bitter cost), but that it really represents an early form of writing and is thus connected with the development of language. It is a scheme and not a picture. Allen Upward used to beseech us to learn from things, not from the words about the things. In using the scheme the child does the opposite. He draws from memory of intellectual concepts of objects, not like an artist who draws from actual models, and thus he produces a hieroglyph and not a portrait. And this method of thought and expression becomes so habitual that most of us experience enormous difficulty in learning to draw things as they actually are. Nevertheless, there are exceptions to this as to every rule, and Professor Bühler gives one example of horses drawn by a boy of eight years, which, though faulty in outline, are of a remarkable vigour and realism, and he also gives examples of drawing by an Eskimo child and some paleolithic animal drawings which show similar characters. Red Indian and negro children, however, use the scheme he tells us. It would seem that it is the culturally low races, like the Australian natives, who from a natural impulse draw realistically.

N. M.

## LETTERS TO THE EDITOR.

### CONGRUITY, NOT IDENTITY.

Sir,—In order to remove any possible misapprehension of my point of view I am quite willing to accept Mr. Reckitt's correction and substitute "congruity" for "identity" as regards the relation of the terms "Catholic Faith" and "Social Credit." Far be it from me to "attempt to secularise spiritual truth," but I am all out for spiritualising secular truth; and that was what I had in my mind when I said that the "Catholic Faith" and "Social Credit" were "interchangeable terms."

That may be "going in off the deep end," so to speak, but in these piddling days when politicians and prelates are twiddling a timid toe in the shallow waters of compromise, an occasional splash may do no harm.

Ever since that memorable gathering at Hope, when I had the privilege of discussing this question for the first time with Fr. Demant, the conviction has been steadily growing in me that the road to the realisation of the Social Credit ideal lay through the Catholic Faith, and as long and as far as my limited powers will permit me I intend to follow that road—until the end.

As for "giving the (doubtless false) impression that we believe that salvation and happiness will automatically follow upon the multiplication of material things," that is a danger we must face cheerfully and fight courageously. It is due to lack of faith in the Humanity Our Lord took upon Him. I have often felt when discussing Social Credit with Anglo-Catholic priests that, whilst bestowing a measure of approval on the desirability of economic security there was, at the back of their minds, an uneasy feeling that it would not be "good" for the people to be too comfortable. Now, as Douglas has said:—

"Virtue may flourish in the gutter, but if virtue can only flourish in the gutter, as some people would have us believe, then it is time that the nature of virtue received severe scrutiny."

Well, we need not descend so low as the gutter. Hovering above it and pervading all classes of society is a miasma known as "worry," due, in most cases, to financial stringency, and there is nothing so devastating, so demoralising to the spiritual life as years of money worry.

When the Church wakes up to the fact that seven-eighths of this cause of sin and suffering would be abolished under a Social Credit regime it is not saying too much to predict that she "will be our Ally when we are striving for its realisation."

"OLD AND CRUSTED."

### BANKERS' PROTECTION MANIFESTO.

Sir,—In reply to the letter of A. H. S. in your issue August 14 I think the signatures to the Bankers' Manifesto on Protection were given by one London newspaper, the *Morning Post*.

R. H.

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## The Social Credit Movement.

Supporters of the Social Credit Movement contend that under present conditions the purchasing power in the hands of the community is chronically insufficient to buy the whole product of industry. This is because the money required to finance capital production, and created by the banks for that purpose, is regarded as borrowed from them, and, therefore, in order that it may be repaid, is charged into the price of consumers' goods. It is a vital fallacy to treat new money thus created by the banks as a repayable loan, without crediting the community, on the strength of whose resources the money was created, with the value of the resulting new capital resources. This has given rise to a defective system of national loan accountancy, resulting in the reduction of the community to a condition of perpetual scarcity, and bringing them face to face with the alternatives of widespread unemployment of men and machines, as at present, or of international complications arising from the struggle for foreign markets.

The Douglas Social Credit Proposals would remedy this defect by increasing the purchasing power in the hands of the community to an amount sufficient to provide effective demand for the whole product of industry. This, of course, cannot be done by the orthodox method of creating new money, prevalent during the war, which necessarily gives rise to the "vicious spiral" of increased currency, higher prices, higher wages, higher costs, still higher prices, and so on. The essentials of the scheme are the simultaneous creation of new money and the regulation of the price of consumers' goods at their real cost of production (as distinct from their apparent financial cost under the present system). The technique for effecting this is fully described in Major Douglas's books.

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