

THE NEW AGE

INCORPORATING "CREDIT POWER."

A WEEKLY REVIEW OF POLITICS, LITERATURE AND ART

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NOTES OF THE WEEK.

The following letter from the Marquis of Tavistock was published in a prominent position on the front page of the *News-Chronicle* of January 20. The letter has reference to the Lansbury-Brentford controversy on which we commented last week.

"It is, indeed, a distressing proof of the blindness of politicians of all parties to economic facts that Mr. Lansbury and Lord Brentford, whatever their differences in other directions, should agree in upholding the once excellent but now futile maxim, 'If a man will not work neither let him eat.'

"Will they never realise, I wonder, that we are no longer living in a pre-industrial age when production and productivity were alike strictly limited?

"Will they never see that for good or evil the effect of science and the machine is progressively towards *labour-saving*, and that however desirable it may be on spiritual and moral grounds that every person should be engaged in some kind of creative activity, we have reached the stage when the satisfaction of all the material needs of the human race no longer requires *and cannot utilise* even the moderate and reasonable labour of every able-bodied adult?

"The time has come to break away from the idea that a citizen of the country is only entitled to an income if he can draw wages or a salary from the productive side of industry.

"We need a system of national dividends whereby every citizen, rich or poor, in work or out of work, receives an equal sum of *new money*, the amount being based on the country's production and productivity. Then, at last, there would be some chance of people being able to buy all that they require that industry can produce and the present strangling knot would be cut.

"Unemployed persons, instead of being a burden to the community and a misery to themselves, would at least be able to live in comfort and support those still in work by being customers for their goods.

"It would always pay a man to get a job if he could, as wages would be in addition to national dividend, while, if too many became lazy and content to exist on a minimum, production would decline and, the national dividend decreasing with it, the idle, in self-preservation, would be compelled to return to work in such numbers as were needed."

This letter seems to have brought a great number of comments into the *News-Chronicle* office, judging

by the number of extracts printed in the two following issues—about thirty altogether. And their collective tenour, if typical of the unpublished correspondence, indicates an overwhelming balance of opinion favourable to the principle of the National Dividend. Only two of the correspondents whose letters are quoted from are out of the main stream of unqualified approval, and even these are merely hesitant—not hostile. One of them questions whether there would not be continuous inflation: the other suggests that prices would have to be stabilised for the scheme to fulfil its object. These *caveats* are sensible and reasonable considering the state of general knowledge about the real technical causes of price-movements, and can be dealt with comparatively easily. The great difficulty is to meet objections that proceed from moral considerations. It is an encouraging symptom that the whole correspondence, so far as we have followed it, is free from such objections. The reason may be partly because the Marquis of Tavistock wisely enlisted ethical principles on the side of his proposal before describing it: but it may also be—and we hope it is—that the multiplication of visible hardships—many of them lethal—is constraining the public themselves to depose Abstinence from its position of primacy in the code of economic morality. "For whom there is no work shall be no food" is an entirely different proposition from St. Paul's, even in a situation where the supply of food is limited. But to-day, when whole harvests are being wasted, the proposition is a wicked one—the sentiment contained in it is a manifestation of sadism. Physiological vivisection is a clean game in comparison with this economic vivisection. The first can plausibly be construed as a system of research with a human objective—the amelioration of physical suffering. But no such justification is possible for a system which inflicts physical suffering on men "made in the image of God." What objective can be formulated? The refinement of character, perhaps? Or destruction?

We must pull ourselves together and face obvious facts—one of which is that there are authentic

proofs of the existence of well-fed people who behave themselves. There is no doubt of it: these people can be produced. Would it not be a good idea to call them together and investigate the conditions under which they have achieved the miraculous synthesis of a full stomach and a clean heart? How have they done it? How do they keep in health and out of prison? Is it selective diet?—or deliberate and thorough mastication?—or do they take half-an-hour's rest for contemplation after each meal?—or is it a little exercise? It may happen—who knows?—that when the secret is yielded up, we shall find that the practice of the formula is within the capacity of all individuals. It sounds impossible, doesn't it? But after all, Science is quite too marvellous—don't you think? Quite so. And one day the world will be full of jolly people—and jolly good people—probably good because they're jolly. The road to heaven is paved with bread and cheese.

The *Glasgow Herald* deserves a word of praise for having allowed a lively debate on Social Credit to proceed in its columns for more than a month now. It appears to have been precipitated by a letter from H. M. M. in the earlier part of December. We have received copies of several issues since—the last being that of January 21—and from these we judge that the entire correspondence must have filled the equivalent of two or three whole pages of that newspaper. One good feature about it is that the editor allows the debaters to reply to each other. H. M. M. has come back twice, if not more times, and similarly one or two of his supporters and opponents. Such latitude is especially welcome to Social-Credit advocates because the truth of their thesis cannot be extracted by newcomers except by thorough mastication: only persistent and systematic study will establish its coherence as a theory and its practicability as a plan. We know of at least one speaker for Social Credit who declines to present the subject in a single address: he will give a series, or none at all. He is quite right. It is surprising what a large number of people there are who think they ought to be able to bolt the Social-Credit theorem; and because it sticks in their throats, reject it as a faked food.

H. M. M. deserves congratulations on his courage in exposing himself to the numerous unrelated criticisms which his letters have elicited from various types of people, and on his adroitness and flexibility in answering each of them specifically without allowing his central teaching to be side-tracked or obscured. From the first he has insisted that consumers must receive income supplementary to wages, salaries and dividends, thereby taking up a position which clearly differentiates Social Credit from all other economic proposals, whether of the credit-reform variety or not. Whatever be the outcome of the controversies now proceeding, those who follow them will at least understand what the Social-Credit objective is and what the Social-Credit advocate proposes to do to reach it. Whether they understand how the method will achieve the object is, at the present time, of secondary importance so long as they approve the objective and, therefore, hope that the Social Credit Proposals are technically sound. Leaving aside the polemical medicine-men who condemn or make fun of them, and considering the vast majority of ordinary, practical, common-sense people whose main concern is to become a little better off than they are, there are no other proposals before the country which can command unity of moral support among them. In a time of drought the inhabitants of a parched country would not look for a moment at schemes for re-sharing existing stores of water if there were half a chance that somebody could make the rain come. Why should anybody put himself out to do it when he could put his bucket out

instead? And who but an imbecile would reject the rain-scheme just because certain of his neighbours had barrels out, and he only a bucket? What the underdog wants is something absolute—*better measure*. Leave him to reason from his necessity, and he will not bother his head whether his "second helping" is a "just" one relative to other people's so long as it is a second helping. "The eyes of a fool are in the ends of the earth," says one of the Proverbs, and its truth can be as well stated in the revised formula: "The eyes of a fool are on another man's plate." Every "reformer" who, on however high principles, incites the masses to agitate for "equity" in the serving out of grub is fooling them: he is tossing bones of contention among the community instead of the meat of contentment. The injustice against which every class in society is struggling (though subconsciously) lies not in the fact that different individuals take different quantities of goods out of the consumption market, but in the fact that at no time is there in that market more than a fraction of the total quantity of goods which could be put there. All true "reformist" teaching should be concentrated on drawing attention to that fact and explaining its implications. Any new scheme of distribution in which the lowest-paid classes participate is collectively a *just* scheme: and when once you have a scheme which begins by redressing a collective injustice to the community you have released forces which will lead to the spontaneous correction of individual injustices between man and man in that community.

Ironically enough, the financial classes—the credit monopolists—in the pursuance of their own plans, are unintentionally laying foundations for an edifice of mutual justice along this line. Every day that passes some "capitalist" (in the old sense) disappears; and into his place steps a salaried manager. This new kind of administrator has no pride of ownership. Nor has he any interest one way or the other in the question of what wages the work-people earn: a rise takes nothing out of his pocket, nor does a fall put anything in. Industry to-day is practically wholly administered by officials who themselves take orders, and are psychologically indifferent to what those orders are so long as they are paid their salary for obedience. If the bankers told them to-morrow to raise all wage-rates, to liquidate reserves and to distribute higher dividends, they would set about the new task just as unemotionally as they are performing the old. Lastly, they are devoid of any sentimental attachment to their present paymasters. Nobody loves a banker. Hence they will be indifferent to any event which sweeps the banking class out of power, provided only that their new rulers guarantee their economic security. That is all they want: and it happens to be all that every other subject of the King wants. There is a potential unanimity in the country in favour of the Social Credit programme; so the Marquis of Tavistock has given evidence of political sagacity as well as common humanity in publicly advocating this new principle of economic emancipation.

The B.B.C. has done something to show up the inconsistencies in orthodox financial reasoning by producing Sir Josiah Stamp within a few days after producing Mr. Maynard Keynes. Sir Josiah's broadcast address talked up savings, whereas Mr. Keynes had talked them down. Measured by Social-Credit standards both addresses are futile because they are based on discredited premises. Conversely, granting the premises are sound, each address cancels out the other. We notice that Sir Josiah pursues one line of argument which we exhibited for the instruction of Socialists some years ago, namely,

that if they accept the premise that the development of industry depends on supplies of private capital—i.e., investments out of income—then any legislation which causes the transfer of income from the Capitalist to the Worker will necessitate the workers' subscribing new capital to an equivalent extent. In principle the Socialists might regard this as a good thing, for they might plausibly hold that if Capitalism cannot be abolished the next-best thing is to diffuse the privileges of capitalism throughout the working-classes. Certainly the bankers do not object in principle to this idea. So long as the collective sum put back into industry is satisfactory it is a matter of indifference to them whether it is derived from profits or from wages. The only reason why financing out of profit is preferable to them is that it is easier to control in practice, and it economises the use of currency. So long as the owner of a business would invest, say, £1,000 at certain intervals, it was manifestly more convenient for the bankers that he should do so in one sum payable by cheque than that he should draw cash and pay it out among, say, five hundred workmen for them to invest £2 each.

Sir Josiah's address contained the following passages (*The Times* report, January 24):

"The people who lost purchasing-power [the reference is to business people who have suffered through the slump in profits] would have saved a considerable amount of it, and these savings and new capital were gone unless the people who had received the purchasing power did a corresponding amount of spending and saving and made up for them. So there was a positive duty on one class, when it got more power to purchase than it had before, to take on the responsibility of saving, otherwise the accumulation of capital would come to a standstill, and as a nation they could not progress and employ their people."

After observing that the "very rich people" on whom industry used to depend for capital are now taxed so heavily that, apart from death-duties which took sometimes "as much as half the fortune" out of every pound they were able to keep only 8s. or 9s., he continued:

"As a nation therefore they were much more dependent on the small savings of millions of people for maintaining national progress than they used to be."

These remarks were preceded by an explanation of why the purchases of Savings Certificates had amounted in 1930 to £14,000,000 more than in the previous year. It was due, he said, to the fact that while there was no particular reduction in the rate of money wages in 1930 there was a slump in prices, with the result that on a wage bill of, say, £1,800,000,000 there was an increase of purchasing power, despite unemployment, of the order of £100,000,000. So there was nothing astonishing, he commented, in the fact that the people had been able to put up an extra £14,000,000 for the Certificates.

"This led them to the question: 'Where did this increased purchasing power come from?' Because there was no increase in the total production for the previous year; there were no more things to be bought as a whole, but rather less, as it was a year of great depression. The answer was that the purchasing power was transferred from other people, and mainly from business profits which were often turned into losses, and there were great reductions in dividends on Ordinary stock."

Accepting Sir Josiah's facts and figures it appears that the increased purchasing power was a sort of national dividend paid out to consumers by unlucky

investors. This is rather an unfortunate disclosure to make in an address exhorting the masses to invest more and consume less. It as good as tells them to abstain from consumption in order to accumulate savings which are liable to be taken and used as a subsidy to the general body of consumers.

A curious reason why people should buy Savings Certificates is given by Sir Josiah. It is that Mr. Snowden is faced with a Budget deficit, and that the money to balance the Budget must be got from some source or other. The more that was received through Savings Certificates the less would have to be recovered through taxes. In the case of a resort to new taxation there was little probability that direct taxes would be raised—the source was dry.

"If it was indirect taxation, then that considerable improvement in purchasing power to which he had referred was the place where it could be best borne—in duties on tea, sugar, coffee, tobacco, beer, etc."

There are several loose ends sticking out of this remark. One is that it makes no allowance for the operation of the official cost-of-living computation as a regulator of money-wages. Another is that the balancing of a Budget by borrowing involves a perpetual addition to taxation to pay interest—taxation which the lenders, along with everybody else, have to pay. Another is indicated by Sir Josiah himself when he says of the Savings Certificates—

"None could say with any confidence where the money saved finally got to—it went into the Exchequer, and from thence into the great money machine, and he did not know whether their 16s. per certificate was ultimately lent through the banks to extend a tea or rubber plantation abroad, in a foreign loan, or to build factories or warships at home, or what happened to a particular item. But, subject to certain limitations, it was destined to be spent somewhere, and to create employment."

Whatever the precise meaning of "create employment" may be, one would say that it was an important matter to decide where the employment should be created. If outside this country, while British industry might manufacture and export the material representing the expenditure, the material could (and probably would) be used abroad to construct factories and plant which turned out products in competition with home manufactures. It is certainly not the duty of the people of Britain to invest money for the sake of providing employment for the foreigner.

Generally, Sir Josiah Stamp's address consists of careless and unfinished arguments. This is especially noticeable where he answers Mr. Keynes. He quotes Mr. Keynes's statement on the wireless that every time 5s. is saved a workman is put out of work for a day. His answer is to this effect: Mr. Keynes is the chairman of an insurance company—insurance is one of the most famous ways of saving—how would Mr. Keynes like it if people followed his advice and stopped insuring themselves? This is pure irrelevance, and cheap at that. A flagrant example of careless thinking is where he speaks of the building of private houses as "increasing the capital of the country." He chooses houses as an example because Mr. Keynes happens to be chairman of a building society. He challenges Mr. Keynes to explain what difference it makes to employment whether a man with money in hand buys boots, shoes, etc., with it or lends it to a friend who has a new house built with it. The only difference, he asserts, is that a different set of labourers will be employed. Exactly. But there is nothing in this for Mr. Keynes to answer. On the contrary it confirms his

argument, for it amounts to saying that the purchase of any sort of consumable product will create employment. Again, to aduce a loan by one man to another for the purpose of buying a house to live in as an example of what Mr. Keynes means by "saving" is misleading. Such a transaction (a) does not affect the equation between collective costs and collective personal income; and (b) it does not affect the amount of employment required to repeat the building. The "saving" attacked by Mr. Keynes does both. It (a) involves refraining from buying something out of industry, which would enable industry to recover some of its existing costs, and on the contrary, adds to those costs by the same sum of money; and (b) the use made of that money inside industry has the ultimate effect of reducing its requirement of labour for subsequent production. It is impossible to sustain the argument that investments in industry collectively create employment when as a matter of every-day observation every individual investment is intentionally and successfully used to lessen requirements for human labour.

The total current earnings and other incomes received by individuals represent an unrecovered industrial cost. Insofar as they invest them so much of this cost is irrecoverable. The manufacturer has now either to sell at a loss (which he won't) or get his cost down. To do the latter he must cut down wages or put himself in a position to dispense with men. To do the latter he has to buy a "disemploying machine." To buy it he has to get hold of money from investors. When he orders the machine he causes labour to be employed on the construction of it, but only a fraction of the amount of labour which he proposes to dispense with when he operates it—for the whole price of the machine (of which the labour-cost will probably be only a fraction) must show him a saving on his wage-bill. A brief survey of this sequence shows that saving causes the necessity for saving. There is no way out of this vicious circle except to put an end to the principle on which the banks finance production. New production must be financed with new credits: every new cost in the business-man's ledger must be offset by an equivalent new deposit in the banker's ledger. That is the new principle. The collective claim of the community for money must at all times be exercisable to the full value of goods coming into the consumption-market and at the quickest rate at which they can be delivered there until the current rate of supply overtakes the rate at which the community wants to satisfy its needs. This Social-Credit principle does not require that nobody shall invest money out of his personal income, but it does require that insofar as he does, new credits shall be issued to compensate for the diversion of his money from the consumption-market. What the investor leaves unbought must be made purchasable by other people. This is a modern economic era, and there must be no such anachronisms as unsold goods cumbering the shops. It's out of date—silly. Clear the lot out to-night, and every night—there are more and better things being loaded up on the rails for the morning.

Saskatchewan is following the lead of Perth. The farmers have delivered an "ultimatum" to Mr. Bennett, the Prime Minister of Canada, demanding that he take immediate action in fixing a basic price for wheat and in "socialising currency, credit and natural resources," etc., failing which the signatories

"would proceed to organise at once for the political conquest of Saskatchewan, along with such other provinces as would join it, for the purpose

of forming a co-operative Commonwealth within the British Empire, trading directly with Britain on a free trade basis."

In the Saskatchewan Legislature on January 12, Mr. Gardiner, a former Premier, and now Leader of the Liberal Opposition, defended this action, saying that "the people of the prairies had more in common with their natural customers in Great Britain than with the group of bloated plutocrats in Montreal." This secessionist impulse in Perth and Saskatchewan is significant. As fast as the bankers proceed towards financial centralisation so will the rest of the world be driven towards economic decentralisation. For every man whose self-hood is sacrificed to the law will inevitably resolve to be a law to himself. The storming of the town of England was a sign of it; and there will be others. The "co-ordination of disobediences" which we referred to on January 15. Revolts will be synthesised and legalised—and no force exists that is powerful enough to stop it.

"The American Debt Settlement."

By C. H. Douglas.

The controversy which has been proceeding in the columns of *The Times* between Mr. Lloyd George and others as to the opinions held regarding the terms of the settlement between this country and the United States in regard to war debts, is quite likely to become historic.

The general nature of the Settlement is well-known. The debt was treated simply as a money debt, exactly as though £1,000,000,000 in hard cash had been handed over by the United States to this country. It was agreed to pay practically the whole of this over a period of 62 years, with interest at 3 to 3½ per cent., and this Settlement in connection with the "Balfour Note" produced the result, firstly that we became the bailiff in Europe, with the United States as the sole financial beneficiary of the war, and secondly, that while the public of Great Britain is taxed to repay money which it never received, repayments of debts to Great Britain go not to the account of the public of Great Britain, but to the account of the United States.

Now, as things are, it is a matter of very little importance, except to the political fortunes of Mr. Baldwin himself, whether the political chiefs in this country did or did not agree with this Settlement. The Settlement was not made by them, and in all probability cannot be unmade by them. It was made by Mr. Montagu Norman, who accompanied Mr. Baldwin to America, and it was made in pursuance of a policy which was almost certainly formulated with the help of the Marquis of Reading (Mr. Rufus Isaacs) when he went over to Washington in 1917, the core of that agreement being that the debts should be regarded as being repayable only in United States gold dollars.

To recapitulate what is already familiar to readers of this review, the loans from the United States to this country were never either in gold or any other sort of dollars. They consisted of goods, chiefly munitions of war, which were made in the aid of wages and salaries paid to American citizens out of bank loans created by book-keeping. As a result of this process, the manufacturing plant of the United States was enormously extended, the cost of these extensions being included in the prices charged to this country for goods, stupendous fortunes were made by American manufacturers out of these same loans, and the American banks came into possession

of fabulous quantities of Liberty Bonds, representing for the most part receipts for financial capital which they themselves had created, and which Bonds they have since largely disposed of to the American public in return for a good deal of the original loan.

It is the fashion at the present time to decry the futility and decadence of the Parliamentary system in this and other countries, and with much reason. But the true reason, as so very often happens in matters of this character, is quite unlike the reasons which are publicly adduced. The fundamental cause of the decadence of Parliament is without any doubt whatever that individuals such as Mr. Baldwin and Mr. Lloyd George will, for reasons which I do not pretend to fathom, allow themselves to be represented as being responsible for transactions which for the most part they do not understand and over which they certainly have no control, and, with a pusillanimity which can only be described as astounding, refuse to hold their alleged subordinates in the shape of officials of the Bank of England and the Treasury responsible for the situation which has been created.

While this situation continues, the prestige and importance of the ostensible Government of this country must continue to deteriorate. But I think that those who would accelerate this process without a clear idea as to what other force can be brought to bear upon the financial system, other than that taking its rise from the House of Commons, are playing straight into the hands of the international financier who, while endeavouring to manipulate it to his own interests wherever possible, is consistently promoting the idea that all matters of real importance, such as, for instance, centralised banks, should be free from the possibility of what is called "political control."

While the present situation exists, the first practical step to be taken is to give as much publicity as possible, firstly to the iniquitous nature of the transaction to which this country was committed in 1917 and again by the Debt Settlement Commission under Mr. Baldwin, but really headed by Mr. Montagu Norman, and secondly to indicating, so far as possible, the individuals who carried out the negotiations which created and are still creating a menace to civilisation.

Relativity in Costing.

It has fallen to the lot of most people interested in Social Credit to encounter the man who wants to have the Douglas Scheme explained to him, "briefly, old chap—the gist of the thing—in a nutshell."

The subject, of course, does not admit of compression into anything remotely resembling a nutshell, but any attempt to arrest the attention of a generation bred to captions and snappy headlines is worth the making.

Briefly, then, it may be said that the Douglas Scheme embodies a new method of cost-accounting and pricing of ultimate goods and services, based upon two rational principles:—

(a) That the *issue* of financial credit should be based upon ability to produce goods and services required by the community, and

(b) That the *cancellation* of financial credit should take place at the same rate that the real, physical credit—called into being by the financial credit in question—is consumed, worn out, or otherwise depreciated or destroyed.

Not much time need be spent over (a). The proposal has much in common with certain other credit reform schemes, and obviously entails the abolition of the gold-standard.

As regards (b) everything turns upon the Social Credit contention that the actual, physical cost in a community of its total production over any considerable period is simply the total consumption over that

period. This is the essence of the matter—the vital point. There are some who hold that the $A + B$ theorem is the vital part of the business. It is not. $A + B$ is necessary for a thorough grasp of the Douglas *analysis*, but it is not vital to the understanding of Social Credit.

What is vital is the question:—Do you, or do you not, agree that total consumption over any considerable period is the physical cost of the total production of that period? If you do agree, then the Douglas price-factor and the other arrangements for implementing principle (b) follow logically from it. If you do not agree, there is no more to be said.

Possibly our enquirer's first difficulty will be to conceive that there can be any systems of accountancy other than the orthodox one in general use throughout industry. He is in much the same position as the old Euclidian geometers when Riemann and Weyl showed that Euclidian geometry was only a particular case of wider and more generalised systems of geometry. And we must be prepared to show him that the system of adding together all financial costs (including profits at each stage) of ultimate goods and services, and calling that the price, is just a particular case of a more generalised system of costing and pricing. It is correct for a particular set of economic conditions only, namely, the conditions under which total consumption equals total production; i.e., when the price-factor is unity.

Such considerations may point the answer to our enquirer's next query:—How is it that this error has existed unnoticed for so long? To which one might reply by a similar question:—How was it that the errors in Newtonian physics remained unnoticed for so long—until the discovery of relativity?

Astronomical physicists tell us that the behaviour of the planets, as given by Newton's laws and equations, is found to agree very closely with the behaviour as given by the wider and more generalised laws and equations of Einstein, which embrace those of Newton as a particular case. This, they tell us, arises from the fact that in the case of the planets we are dealing with bodies having very small velocities—small, that is to say, relatively to the velocity of light. If we were dealing with bodies whose velocities approached more nearly that of light, as in the case of the electrons of the atom, the error due to the use of pre-relativity mathematics would be considerable.

A more or less analogous case exists in the field of economics. In orthodox economics, price = cost; in the new economics, price = $\frac{C}{P} \times \text{cost}$,—a formula which embraces the older one as a particular case.

In days of old, when mankind lived from hand to mouth, and when capital equipment was a very small affair, a set of economic conditions existed in which the fraction $\frac{C}{P}$ equalled unity very nearly, and the error involved in using the orthodox equation was small.

But, as man progressed toward the industrial age, the velocity of production, relatively to that of consumption, rose; and the error involved in the use of the "price = cost" formula began to make itself felt, though not to make itself apparent. The discovery of the error awaited the advent of Major Douglas into the field of economic science.

To-day the relative velocity of industrial production only to the increasing productivity of industrial plant and process, but to the scaling down of consumption as well, has reached a magnitude such that, unless the new formula is applied, financial breakdown must inevitably result.

A. W. COLEMAN.

* "C" meaning Consumption, and "P" Production, expressed in the same unit of measurement.

A Mechano-Psychic Fantasy.

"I have stopped the Press because it is a flood of nonsense. I have also put a stop to party politics. . . . From to-day I shall govern the world myself, and I hope we shall all have a good time and enjoy ourselves. The various kings, princes, presidents, and dictators can retain their titles and pretend to govern, if this make-believe pleases them. For some years now I have been in absolute control of raw materials. I shall, if necessary, simply cut off supplies to enforce my World Decrees.

"With kind regards,

"Yours faithfully,

CHARLES H. CHAPMAN."

Mr. Hargrave's latest book* is a neck-or-nothing venture and if there is truth in the formula: Venture all, win all, it ought to be a best-seller. It is like the equilateral tetrahedron, which looks exactly the same shape on whichever of its four sides it happens to rest. Any way up this book says something, but not to the same type of mind. Stood one way, it will stimulate scientific and philosophical speculation to a surprising degree: stood another, it will afford light entertainment to the ordinary novel-reading public. In one aspect it could be imagined to set sedate vitalists and mechanists by the ears; and in another to set irreverent youths and maidens giggling. It will intrigue psychologists, engineers, moralists, and no end of other thinkers and teachers, because of the theme; and will attract other types of persons because of the treatment. One reviewer has expressed the opinion that this book is the best thing of its kind done since Wells's "Invisible Man." The question, from a marketing point of view, is whether Mr. Hargrave's treatment will not irritate readers who like the theme, and the theme bore readers who like the story. The first are likely to demand more elaboration of the *why* of the hero's actions, while the second are likely to demand more of the *what*. For the *why* engages the intellect while the *what* engages the emotions. So the fate awaiting this book is as yet a secret of Messrs. W. H. Sphinx and Sons.

Is it possible to construct an automaton which can flirt with a wench? Can there be such a thing as a love-making machine? This is one question posed by the conception which Mr. Hargrave propounds. Readers of this journal, who are aware that there has actually been constructed a mechanism called "Televox"—a mechanism which automatically obeys certain spoken commands—will not boggle at the idea of one which obeys unspoken commands, whether communicated by the will (e.g. telepathy, hypnotism) or by signs (nods and winks). If one thinks of human influences in terms of vibrations, and imagines a mechanism so delicately constructed as to be capable of registering them, it is easy to visualise such a mechanism exhibiting apparent manifestations of personality or free-will. The photographic dry plate and the gramophone record are two examples of how the vibrations of light and sound can be caught and reflected by insentient physical substances and there seems no reason why conscious and subconscious vibrations should not be similarly caught and reflected.

I believe that the late Conan Doyle claimed to have taken photographs of spirits. Some will believe it and some will not; but grant the existence of spirits, and it is easily credible that they can be caught and registered by the camera and plate. And the development of experiments with the spectrum have resulted in spectrographic analysis which can reveal the presence of an element in a substance when the quantity present is far too small for detection by chemical

analysis. So we have not simply seeing and hearing mechanisms, but super-seeing and super-hearing (e.g. the microphone) mechanisms, which can project sights and words. And calculating mechanisms are as familiar as grass. Nothing we know up to the present excludes the possibility of constructing even such things as a tasting-mechanism, a smelling-mechanism, or even a feeling-mechanism (in the sense of recording the quality of a touch). The mechanical imitation of human perceptions appears to be limited only by the technical problem of constructing instruments of the necessary delicacy and precision. Conceiving this to be solved, the question arises whether these several instruments could be combined and coordinated in such a way as to register what we call psychic phenomena. Means are already at hand for constructing a machine which could project a more or less crude description of your character—one which could measure the contours of your skull and transmute its shape into intelligible sounds. Miss Barnard, in her book "Mind and Brain," shows examples of character-records which she keeps for reference in the form of numerical tables. These combinations of figures could be automatically recorded by a machine, and the record turned into a sound-projecting form perhaps something like the punched rolls of paper that produce music through a piano-player. Such a machine would be an elementary imitation of a psychologist. And it is probable that only lack of leisure and money prevents a much closer imitation being achieved.

"Every sensation," says Mr. J. Louis Orton, in his "Hypnotism Made Practical," "is a thought." According to this, the five senses are not merely stimulants of thinking, but are themselves of the essence of thinking. They are the five master-thoughts and constitute the condition and frame-of-reference of all thought-processes. For instance, there is no difference in nature between the smelling of a scent and any reflections or memories which the smell may set up in the brain. All is *thinking*, but thinking on different wave-lengths, or at different frequencies. Accepting this hypothesis, and substituting the term vibration for sensation, then every human brain is an instrument constructed primarily to record the five master-vibrations; and the five specialised faculties which respectively pair up with them may be likened to transformers in an electrical generating-station. They receive external vibrations, change their frequencies, and pass them through an internal circuit. They convert, so to speak, the raw material of sensation received from outside into various forms suitable for consumption by other (some would say "higher") faculties inside. This concept will be rejected by some as involving determinism. It makes every person's thought (and character) the product of impulses received from all things and persons with whom he comes into contact. Everybody's personality is, so to speak, a cross section of the collective personality of his acquaintances. His "will" is imprisoned in an environment of sights, sounds, tastes, touches which belong to his environment and are beyond his control.

However, there is no need for anybody to have a row with me about it. The point of this analysis is that Mr. Hargrave's hero is an automaton conceived to think (or vibrate internally) and act (or perform movements?) and speak (or make noises) solely under the propulsion of external influences. The story describes how, under such conditions, he develops towards achieving a personality—or human strictly speaking, how near to success his own mentors come to creating in him a soul of his own. It will be seen that the treatment of this theme could extend to the compass of a small library of books. So Mr. Hargrave has had to be severe on his imagination, and content himself with narrating and rationalising a few of the almost numberless possible

adventures which could befall his hero. There will be some (I am one) who would be glad to meet the young gentleman—Mr. Chapman he is baptised—in a further book. It is true that Mr. Chapman comes to an untimely end on his wedding-night (the sensational cause of his disintegration will evoke loud cheers from the vitalists, who will be able to preach the moral: "There; you can't imitate nature beyond a certain point") but since Conan Doyle resurrected Sherlock Holmes there is no reason why "The Return of Mr. Chapman" should not be written.

In what I may call the financial phase of Mr. Chapman's automatic career readers of this journal will find abundant material on which to exercise their intellects. Here the unimportance of the politician in the real government of the world is shown in its true perspective, both by what Mr. Chapman does and by the acute *obiter dicta* with which the author annotates the story. In my judgment Mr. Hargrave has come nearer to laying bare the motivation of the credit monopolists than any writer I have yet read. Mr. Chapman, although an automaton, gets hold of financial power, and becomes the ruler of the world. He controls every vital raw material, and uses this control to force the nations—also the League of Nations—to do his bidding. At no step in his progress to power has he any intention as to its consequences to the world in general: each step is a policy in itself, and each policy is nothing more than the reflection of the inconsequent whim of a woman under whose influence he has fallen. He does not want to rule the world; he only wants to get her what she wants. She does not want him to rule the world; she only wants what she wants. And what she wants are comparative trivialities—a unique skin for shoes, an air-liner, country houses (Mr. Chapman buys up all the landed estates on the British market)—in a word she wants a tame mouse, and the whole political and economic world is thrown in labour to bring forth the mouse. And the "lark" (as one of the characters in the story keeps calling it) is that neither he nor she is aware of the fact. She wants to erect a talkie-town in Peru. He tells the British Government to see to it. The Government brings high-diplomatic pressure on the Peruvian Government who wanted to reserve the concession. There is a crisis; but in the end the Peruvian Government gives way. Mr. Chapman, however, is oblivious to all this. What he wants happens—and that is all that concerns him. Little Hula's "thank-you's" decide world-policy.

It is curious that almost on the day when this book reached me I saw a letter from a reader of this journal raising the question: "After all, what is it that the credit monopolists *do* want?—Suppose they want to control the life of everybody in the world, and suppose they succeed; what do they get out of it?—What do they do next?" Well; I cannot answer it. Can anybody? But I reflect that of all the people influencing economic policy the bankers might be considered as a mechano-psychic phenomenon. It is reasonable to ask: Do they determine the system, or does the system determine them? Are we all under the dictatorship of marionettes? Mr. Chapman comes into the answer. While it is a fiction to suppose a non-human being performing every function possible to human beings, it is entirely incredible that some types of human beings are congenitally incapable of functioning outside a non-human orbit of motivation and action. Everybody who is interested in this speculation will thoroughly enjoy Mr. Hargrave's brilliant analysis of his hero's psychological development. Make-believe though it is, it almost makes one believe it—and this in spite of his flippant, and sometimes cynical, method of treatment.

I rather fancy that this book is a year in advance of its time so far as a popular market is concerned.

The failure of our rulers to grapple with the economic situation is rapidly driving the public into the kind of mood which will seek for works of this character. The book will have to mark time until the market catches it up. *Then it will march.*

JOHN GRIMM.

Current Political Economy.

The B.B.C. continues its policy of educating the multitude for the purpose of increasing mental confusion. The third contribution to the "problem of unemployment" is from the vision of Alexander Loveday, whose claim to an audience of millions is a substantial one.

"As head of the Economic Intelligence Service of the League of Nations Mr. Loveday is able to take a long-distance view of the unemployment problem in this country."

The head of so resoundingly named a body ought to manifest a halo of wisdom, though one certainly wonders what exactly is a long distance view of unemployment. However, Mr. Loveday climbs his tower in Geneva, puts his telescope to his blind eye, and sees, not only in England to-day, but along the aeons of the future, precisely what Mr. Hargrave's "Imitation Man" would see with a banker at his elbow and the telescope in the table-drawer. But let Mr. Loveday, who has double, if not second, sight, tell his own story. He sees not one unemployment problem, but two. He is both poetic and prophetic:

"The present economic depression will pass away. That is as certain as that to-morrow's sun will rise."

Let us all, therefore, attend the B.B.C. thanksgiving next Sunday for this grand news, even though a rider were added: "Not in our time, O Lord."

"But when it has passed the unemployment problem of the first million will remain."

Throughout Mr. Loveday's good news, he makes it more or less clear that the zenith of the trade revival, which will take place when it happens—note the hall mark of the scientific intelligence service—will be recognisable by the unmistakable sign of prosperity, a million unemployed.

Mr. Loveday, like the *Observer* financial correspondent, dates the disasters from 1929. It is unnecessary to comment on the curious unanimity of the *Observer*, the scientific economists, and the League of Nations. As the League seems invariably to have to ask the United States to guide its hand whatever it writes, the unanimity obviously no more than repeats the coincidence of the same discovery occurring at the same time to different brains in different places. Mr. Loveday remarks that, from 1925, when England returned to the gold standard, to 1929,

"the period which immediately preceded the present depression, the wealth of the world was increasing with remarkable rapidity. *Our* wealth was increasing."

"*Our*" is not italicised by Mr. Loveday. But it is a beautiful word. It arouses, one might phrase it scientifically, the individual to fervent patriotic pride in the statistical aggregate of his nation's wealth. More simply, it helps the unemployed cotton-worker, as he listens in at the working-men's club, to forget that he cannot buy a drink in the glorious vision of his country's increasing wealth; just as country schoolchildren with worn-out boots and clothes and empty bellies have their British Empire raised immensely by learning that *their* British Empire is the greatest the world has ever known, and that London is the wealthiest city.

"I believe," says Mr. Loveday, and it is a fine beginning, for any man,

"Personally, that if we are going to tackle the unem-

* "The Imitation Man." By John Hargrave. (Gollancz. 7s. 6d.)

ployment question rationally, we have got to look a long way ahead. . . ."

"Enormous improvement . . . technique of production . . . world substantially richer per head than ever before. . . ."

Keep steady! The obvious line for England is to compete for the world luxury-market, and, Mr. Loveday advises, to be ready to change its objective with each change of fashion; and with the speed of a music-hall artist.

"For we can only compete successfully by accepting the rules of the game,"

which are not rules of a game, but

"world economic facts and forces that we cannot control,"

and for that reason we must, really must,

"think less about the division of the cake and more about the size of the cake which we want to divide."

It is neither possible nor profitable to pursue the Intelligence Service of the League of Nations up and down the orthodox financial warrens. The League of Nations is not founded on respect for either facts or truthful intuition, but on sentimental optimism. That is why the League of Nations considers its own industriousness of importance while the industries of the world drift into greater chaos. Mr. Loveday, entangled in the incoherence of his telescopic view, brings it to an end with a typically League of Nations' peroration:

"Periods of depression . . . is it not time . . . devote real energy . . . averting them. . . The last Assembly of the League of Nations . . . question should be gone into . . . surely worth while . . . solutions not found in a day. . . ."

It used to be said that the last place in which a new idea took root was Oxford. That was before the League of Nations was formed. On the basis of the ideas of its Intelligence Service, advocating the maintenance of the present economic world-conventions, the League of Nations is a body whose consciousness chants no more war, and whose unconsciousness fosters all the causes of war. Every comment made by Mr. Loveday on the actual forces, mechanical, natural, and human, of production indicates that the size of the cake is not a difficulty. It can be of the size ordered. The only question is how many serviettes, plates, and tea-knives are to be laid on the table. In short, there is no production problem at all, and, in consequence, no unemployment problem. For those who refuse to consider a solution, there is, of course, the problem of what to do with the unemployed persons, in fear of what the unemployed persons will do otherwise. Up to now the problem of unemployed persons has been dealt with by increasing the aggregate remuneration of salesmen, of one kind and another, by taxing the employers for giving employment and the employed for taking it, and creating such bodies as the League of Nations, with their clerks, typists, busybodies, and intelligence services.

The Editor of *The Listener* may have been a little afraid this week, for Mr. Loveday's sake; or he may have been afraid, on Mr. Keynes's account, of some person or persons less in evidence. He takes a hand in the discussion:

"Among regular listeners some will have noticed the striking contrast between the views of Sir Hilton Young and those of Mr. Keynes. . . ."

The only possible comment on this is the question, Why, then, did the B.B.C. risk letting Mr. Keynes speak? The editor, however, is reminded by the controversy between the defenders of saving and those of spending, of the old conundrum: Which came first, the bird or the egg? "The public do not need educators to keep them in doubt." So Balzac wrote, but he did not appreciate at the time that there might be somewhere people who did want educators to keep the public in doubt. Nevertheless, the editorial offers, not a mere choice between

Hilton and Keynes, but, blessed be the name, a synthesis. It is, blessed be the name again, a spot . . . of Coué.

"It may be suspected that the real truth underlying this difficult problem is psychological rather than economic. . . . Could we regain the spirit of enterprise for which our forefathers were noted it would not matter whether we were using the method of saving or of spending; the national spirit would be on right lines, and our difficulties would melt away before it. . . ."

Thus all persons who have given their thought to the problems of technique have wasted their time. It is not more wisdom, more order, and a better policy of distribution, that we need; it is more thrust, more shove, more push, head over heels into the next war, which should be on a grand enough scale to solve everything. Keynes and Hilton have had their contradictory say, and the chairman has delivered the oracle's verdict. Let us join with the editor in his lament that

"So far no serious school of psychologists has arisen to apply themselves to the problem of waking a nation from spiritual depression."

Even the power behind the great voice cannot apparently prevail on the voices of the people to repeat, three times a day, after the B. B. Coué:

This is the best of all possible worlds, and we are the finest of all possible fellows.

We are done for, anyhow.

BEN WILSON.

The Films.

Below Zero: Empire.

This picture is magnificent kinema and excellent entertainment. "Below Zero" is another episode in the continuous serial enacted by Messrs. Laurel and Hardy, those superb comedians who are the most admirably-matched of all screen partners. In this film they start as itinerant musicians in a snowstorm, pick up a pocket-book, invite a friendly policeman to luncheon, and are then thrown out on their ears when the discovery that the pocket-book belongs to their guest prevents them from paying for the meal. To see Mr. Laurel emerge from a butt on his person so as to invest him with a species of immense goitre, and to watch Mr. Hardy's concern—these you must see for yourself.

I note with pleasure that speech is sparingly used in "Below Zero," of which not more than about a third has an accompaniment of dialogue. As I was, I believe, the first to insist that the art of these two comedians, as is the case with that of Chaplin and Buster Keaton, is so essentially mimetic that the spoken word is an unnecessary excrescence, I am the more pleased that the Metro-Goldwyn-Mayer organization have in this instance abandoned the "100 per cent. all-talking picture." To judge from some highly significant remarks made by Mr. Goldwyn on his recent visit to England, the talkies will in future talk less, while we may even expect the revival of the silent film.

My Dear Miss Watts.

"I protest," says Dodo Watts, "against the indictment that British film stars are poorly dressed. But, my dear Miss Watts, the only indictment against British film actresses is that so few of them can act. And most of them who can are either in Hollywood or are trying to make a living on the stage or as teachers of ice-skating. Which is an indictment of Elstree."

Lottery Bride: Capitol.

The only possible justification for musical comedy, whether on the stage or the screen, is that it be good. "The Lottery Bride" is not good. It is characterized by those out-of-date operatic conventions of which Hollywood apparently never tires; the beaut-

tiful and talented Jeannette MacDonald is largely wasted, and much of the settings are too obviously the work of the property man. The singing is good.

Street of Chance.

This is one of two films generally released at the beginning of the year which call for attention as representing very good entertainment without having any outstanding artistic pretensions. Incidentally, the Americans make such pictures better than anyone else, while Elstree, so far as I have been able to judge, has not yet been able to make them at all. "Street of Chance" is an excellent melodrama, of which the star is that finished actor William Powell, who has the rare gift of being able to make any role convincing, except when he makes love. Gambling, the New York underworld, and the process elegantly known as putting on the spot are the ingredients, and there is a poker game which even patrons of anti-betting leagues should find exciting to watch. A striking feature of this picture, whose cast includes Kay Francis, is that there is no box-office concession in the shape of a happy ending; after Mr. Powell has been put on the spot he just dies with the minimum of fuss. John Cromwell directed.

Road to Paradise.

The second picture of this type relies rather too much on coincidence, but this is a characteristic of the screen, while it is here kept within the limits of probability. The delightful and very youthful Loretta Young, one of Hollywood's latest stars, contrives with singular virtuosity to double the roles of two sisters, a feat aided by really adroit direction, in which most effective use is made of the suspense motive. My only criticism is that the name is stupid and quite singularly misleading; it really seems time that the ladies or gentlemen who invent the titles of American films should pension off that hard-worked word "Paradise."

The Woman Between: Regal.

This film, an adaptation of Miles Malleston's "Conflict," and the first picture to be directed by Miles Mander, is likely to receive both greater praise and more censorious criticism than it deserves. Much of Mr. Mander's direction is admirable, and suggests that this fine actor should be a valuable acquisition to Elstree in his new capacity. He quite definitely possesses the kinematic mind, and from certain technical aspects, especially the admirable editing, which is comparable with the methods of Pabst, "The Woman Between" is the most interesting and promising English film I have seen for some time. But as a director Mr. Mander fails in one essential; he lacks the necessary command over his human material, which, by one of the paradoxes of the screen, should be treated as puppets if they are to represent flesh and blood. Much of the acting in this film is poor; the players are stagey and use stiff and unnatural gesture, supplemented by that besetting sin of Elstree, halting speech in the mistaken idea that it is more effective to say "Please—sit down," than "Please sit down." Incidentally, the dialogue of "The Woman Between" is mediocre. When the hero tells the heroine, who visits him in his bed-sitting room at night, that "If you stay I shall make love to you," the first night audience quite rightly found it funny; but for this explicit declaration it might have been expected that Mr. Nares was about to feed the canary. Adrienne Allen gives a most disappointing performance, although improving at the end; her impersonation lacks the sincerity which won her such a well-deserved reputation in "Loose Ends." On the other hand, Owen Nares is admirable; he has never shown himself to such advantage on the screen. If Mr. Mander will learn to bully his players and can assemble a better cast, he may make an outstanding picture.

Music.

As a specimen of the paralysing fatuousness of most of the talk that has been going on about the Opera question of late, a letter from Mr. Norman Demuth in the *Sunday Times* recently is a high light. The cynical effrontery with which statements are made without the slightest evidence being produced in support of them, the blatant appeal to prejudice make one wonder if sheer ignorance or which of those hoary stump-orator's tricks, *suppressio veri* or *suggestio falsi* have most contributed to the composition of this gentleman's effort. We start off in the good old way with that hardy annual, the ancient lie about the partiality of Covent Garden for foreigners. After a paragraph in this strain we end up as follows, which must be quoted for its full savour to be appreciated:—

"I do not wish to be accused of an insular nationalism, but I would suggest to the powers that be that we have been host long enough and that it is our turn to be guest. Let them wait till some of our leading singers, composers, conductors, receive invitations from abroad ere they engage a single foreigner in any capacity whatsoever. If we are not good enough for the foreigner then our national opera, supported by our own money, is not good enough for them."

I will deal first with the Covent Garden "partiality for foreigners" legend. I had in my possession for a long time the complete lists of the singers at Covent Garden for a considerable number of seasons up to and including 1914. These lists contained practically all the best-known British and English names of the time. And when the capabilities of these singers justified it they had leading parts—names like Melba, Kirkby Lunn, and John McCormack leap at once to the mind as some of the high lights of the great seasons of pre-war days. And as for his final catherine wheel of inventions, anyone less ignorant of operatic affairs than Mr. Norman Demuth could tell him that the leading British operatic singers spend by far the greater part of their time in foreign engagements. That great singing actress, the brilliant Scotswoman, Mary Garden, has spent all her time between Continental Europe and America ever since she became famous (in Paris) for her incomparable creation of the part of Mélisande, which won from Debussy the only tribute he was ever known to pay a singer, a dedication of a set of songs—"à Miss Mary Garden, inoubliable Mélisande." Count John McCormack, Joseph Hislop, Cecil Sherwood, Alfred Piccaver, Eva Turner and Florence Austral are all well known, indeed classical, instances, and most of them sing but rarely, some scarcely ever in this country, although constantly doing so abroad. Indeed it is a matter of notoriety that British artists have to be discovered and acclaimed in other lands before anyone here will take the slightest notice of them. Melba herself, Mary Garden, Eva Turner, Joseph Hislop, Alfred Piccaver and Cecil Sherwood are all cases in point for they all established Continental reputations before they made any sort of name in England whatsoever. The case of Lamond, too, as a pianist, is a *locus classicus*.

And even when this country produces one of the greatest operatic artists that ever lived, one whose work was consummate and incomparable alike in the German, French and Italian repertoire, with such commanding gifts that side by side with the greatest native artists singing in their own works she shone with paramount brilliance, it was not till she returned to this country crowned with glory from her American *Kundry* performances and the enthusiastic acclamations of the Lower Rhine Festival, that it began to be realised that Kirkby Lunn was an artist of genius—alas! for her so early and sad passing! Have people like Mr. Norman Demuth never heard

of the tours from one end of the earth to the other of, for instance, the English Singers, or of the numerous Continental appearances of Sir Thomas Beecham and Mr. Albert Coates. Does he never see the front page of the *Telegraph*, with its frequent notices of Continental tours by all sorts of British musicians, for some of whom, indeed, one could wish, for the honour of their country, a tour confined within their own parish?

The policy, the excellent and admirable policy of the old Grand Opera Syndicate which has been pursued by its successors, was the production of operas in the language in which they were written, with as far as possible singers to whom the language of the respective operas was native, a policy whose justification on artistic grounds is so palpable that it seems incredible that any person with any musical or artistic sensibility can question it for a moment. In any case, as I have so often had occasion to remark, what argument is the prevalence on the Continent of a barbarous and atrocious practice for its introduction here? Here is an interesting fact. At the Teatro Reali in Rome, under the auspices of those ultra patriotic Fascist authorities, there is a German electrical stage lighting installation fixed by German engineers. The permanent producer staff includes several Russians, and foreign "guest" artists constantly appear, as they do all over Italy in the leading opera houses, kept going by Italian taxpayers with Italian money, but no one objects, and if there are, as doubtless there may be, in Germany and Italy, the equivalents of Mr. Norman Demuth, good sense prevents their being allowed to use a well-known and more or less influential journal as a pulpit—perhaps *Simplicissimus* or *Fliegende Blätter*.

KAIKHOSRU SORABJI.

St. George and the Dragon.

By Dorothy Cousens.

The new Bank of England buildings go up. A mosaic is ordered for the inside decoration, and the subject is St. George and the Dragon. St. George of England has become the bankers' hero, then what of the dragon? Dare the artist build him up of wheels and belts and cranks? Dare he put a chimney smoking in his mouth? No matter. A simple dragon with lovely curves and glowing colours will serve as well. We recognise this dragon. He curves all round our land, growing daily in power and size, stupid a little as dragons always are, neither good nor evil, neither kind nor cruel, just dragon-like, caring for dragon interests.

We started him with that silly boy watching the behaviour of kettles on kitchen stoves, and since then every inventor has patted him on the head, every scientist has pampered and encouraged him. Business men have adored him, organisers have tried to tame him. Our workmen shoved him to the front, so that for a time our English dragon outshone all alien dragons. He was first in the field. Now there are so many others. He is a little cross perhaps, just a bit sulky. Can that be done in mosaic?

St. George has hitherto been handsome, brave, courteous even—at times—to his enemy. Brave he still is and needs to be. Courtesy he can hardly avoid, but hysteria has sadly changed his countenance. He calls and calls and knows not what he calls. On his left he cries: "Save. Thrift. Economy."* To the right he cries with equal ardour: "Spend, spend. Improve your salesmanship. Make the people buy."

The dragon humps himself up and grunts: "I've made so many things, so many things, what are you

* I did hear that he was presenting his namesake king with a Saving Certificate in a lull of the fight.

going to do with them? Here, take them away. I want to make some more."

"Couldn't you go a bit slower, Dragon?"

"I'm going as slow as I can. Can't hurry with the old-fashioned machines I've got. Scrap the half of them I would!"

"Don't you want to sleep a bit?"

"Sleep. I'm a dragon. Why should I sleep? Now look here. Clear these things away. I've undertaken to work half-time only, and now you grumble at that."

"Where shall we put them," says St. George in his distraction, "we can't sell all these."

"Oh GIVE THEM AWAY!"

"Give," St. George mutters with horror. He looks round fearfully to see has anyone overheard, then he rings his bell and gives quick orders to deal with the mass of goods the dragon is continually spewing forth. He sends men dashing up and down the country in little cars on the beautiful new roads the dragon keeps building and building wherever his trail goes. The men go from door to door pleading for orders for soap, floor polish, drawing pins, encyclopedias, washing machines, paint, motor cars. Wonderful descriptions are written about every conceivable thing in catalogues, and St. George arranges they shall reach people at breakfast with their personal letters and newspapers. He pays the paper men, too, so that most of the paper describes the dragon's products.

He sends shiploads of goods on tick all over the world. He sends poor countries money if they promise to use it to buy the dragon's things.

He buys up new inventions whenever he can hear of them first, and with sweat running from his brows he stamps them underfoot. Brave St. George!

He buys up factories here and there, and wrecks them carefully by night.

And all the time it is a losing fight.

The dragon is one of those nightmare beasts, the getting-bigger-and-bigger kind. He takes no heed that millions of men are taken out of work, he just goes on without them, making things, and Things, and Things.

Well may St. George grow frantic. They pile so high in every shop, in every store they pile so high, they may push off the roofs and scatter out on the people.

"Build up more shops," cries out St. George, and so we do in every town. Gorgeous shops we build, with lifts that go swishing up and down, and fine thick carpets spread about the floors.

But with what terrible ease the dragon fills these shops as fast as they are built.

St. George is saying his prayers. He quotes a text. "The poor ye have with you always."

"Uh. Never be poor again," snorts the dragon. "No limit to what I can make. Wealth has come to stay. You're for it."

A great fear is on St. George. The solid mosaic seems shimmery with his trembling.

"I've made enough now to fill your system to bursting." The dragon spits out a little fire to relieve his feelings. "The war stopped me a bit, of course. You used up a lot of stuff. Have another war if you can't use the things in peace time."

"Don't spill, Dragon."

"Yes I will; I'm spilling now."

"What sort of things are you spilling?" asks St. George with anxiety.

"Oh, well, you know, tube maps on little boys' and cakes of soap on people who buy soap, and plated jam-spoons on people who buy shampoo, and powders, and silk stockings on smokers, and suit cases on people who buy jam and lemonade. Suit cases take up a lot of room."

"Oh, I don't really mind you spilling things like that," says St. George, with an old-world smile, and a hint of his traditional courtesy.

The dragon sees fit to take umbrage. "Oh, don't you, Mr. St. George Porgy. Well, I've started I have, and when I start I go on. Soon I'll be spilling more than that. I may be stupid. I daresay I've begun with silly things. Perhaps just because they're silly you won't be able to stop me. Not very clever of you, if it comes to that, to want to stop me. I could make you all wake up KINGS."

He turns tail muttering, but St. George rests on his sword and a weary look comes over his haggard face. Not for much longer can he control this monster, even in Threadneedle Street, E.C.2.

Reviews.

England's Industrial Salvation. By Frank Hillier. (Geo. Allen and Unwin. 3s. 6d.)

The author calls for a Renaissance of British business, and tells us all to "Sell! Sell! Go out and Sell!" The author says: "We have seen that much greater sales of British goods, in our own Empire, as elsewhere, wait on nothing more than keen, vigorous—I almost wrote relentless—selling." (Our italics.) We have had "Buy British!"—and couldn't. So now we have "Sell British!"—and can't. Mr. Hillier is selling selling. And what a "sell" it is! S. R.

A Treatise on Money. Two volumes. By Professor J. Maynard Keynes. 15s. each. (Macmillan.)

Strangely enough, considering the antiquity and importance of its subject, this is the first comprehensive treatise ever written upon finance. Professor Keynes is in many ways excellently qualified as a pioneer. He has enormous erudition in his subject, genuine enthusiasm, and a point of view that can be described as neither Conservative nor Radical, but ameliorative Liberal. Thus in a certain sense he stands outside all schools, though it is nevertheless plain that at heart he is, in financial matters, a reformist well within the accepted school. His first volume treats of the Pure Theory of Money, and his second of the Applied. We might expect to find in the former some discussion, at least, of the theoretical function of money in a "normal" society, but Professor Keynes treats us instead to a theory of money as it is, leaving for his second volume the discussion which, in our opinion, should have opened his treatise. The reason for the omission, however, becomes obvious later; it is that Professor Keynes either has no ideas on the "normal" function of money or only such ideas as would appear to him to be tarred with Socialism or even Communism. He has therefore to content himself with a very superficial analysis of the money function in society, and to enter the lists as a champion of reform within what he frankly admits is "Capitalist" finance. In this field, however, Professor Keynes is at his best. He wields, as everybody knows, a lively pen, and, in the confidence of two correct forecasts already made, he threatens "Capitalist" finance with a third unless that house is set in order according to his specifications. Since, however, his specifications include the "management" of gold and a super-national Central Bank, and these are already on the programme of the Liberal party in finance, it is probable that on this occasion Professor Keynes's will not be Cassandra's voice in the wilderness. Students of social credit—to which, naturally, Professor Keynes makes no reference—will find this treatise valuable; and propagandists among orthodox and conservative financiers will find it invaluable. R. O.

Anglic: A New Agreed Simplified Spelling of English. By R. E. Zachrisson.

Anglic: Edukaeshonal Revue. Nos. 1—3. (Anglic Fund. Uppsala, Sweden.)

Professor Zachrisson is a leading authority on English pronunciation, past and present. His system, to my mind, is excellent, and should certainly increase the rate at which English is becoming the world's second language. He claims, *inter alia*, that at least 60 per cent. of the words on an average page would be unchanged. I put specimen passages before two boys of nine and ten, who, with "dh" explained to them, read them out straight off. H. C.

Nansen: A Book of Homage. Edited by J. Howard Whitehouse. (Hodder and Stoughton. 8s. 6d. net.)

The editor of this tribute to Nansen's memory was chairman of the committee to preserve his ship, the "Fram," as a mark of homage to the famous explorer. Nansen's death made the work it was proposed to offer him as a symbol of

respect and affection into a memorial in his honour. A public meeting was held in commemoration of his work in June last, and the present book consists of a record of the addresses made and of the communications received from His Majesty the King and from various persons of eminence. With these are a sketch of Nansen's life, and notes on his work as a Norwegian patriot, an international statesman, and an explorer and internationalist. Illustrations show the "Fram" and Dr. Nansen himself, and there is a chart of his journeys in the northland. The form of this book necessarily involves a certain amount of repetition, but none the less it conveys, perhaps more effectively than a formal biography, his personality and many-sided exploits. I. O. E.

THE "NEW AGE" DINNER.

This has been fixed for Saturday, March 21, at Restaurant Frascati. Tickets, 10s. 6d. Other particulars later.

LETTERS TO THE EDITOR.

THE "HISTORICAL ADVISER."

Sir,—I am moved to protest against what seems to me to be an unmerited stigma on the educational services of this country and in particular on the teachers of history, which is contained in one of your quotations from Mr. Pownall about the Historical Adviser (who, I suppose, deals with about the Historical Adviser and your own comment that "it is easy to understand why the Historical Advisers of British Governments have kept Machiavelli out of the schools." In the absence of evidence to the contrary, it seems to me that the deficiencies in the teaching of history can be wholly ascribed to the personal prejudices and lack of knowledge on the part of teachers and the time allowed for it in school curricula. In France, Italy, Russia, and no doubt other countries, text-books are prescribed by Government. This is not so in England, least of all for students past the elementary stages. Nor do examination bodies prescribe text-books, except for particular sections of Latin or other literary classics. No one who studies the history of political ideas will fail to hear of and be told to read Machiavelli's *Prince*. (I think his *Discorsi* have not been translated.) In Acton's edition of *The Prince* stood on the open shelves in my school for anyone to read who liked. A consideration of the enormous range of history books offered to school-masters in this country for use with children from ten years upwards disposes of the idea that there is any dictation. You can range from Kipling to Trevelyan, from Belloc to H. G. Wells, from Gibbon to T. R. Glover, without let or hindrance. If the suppression is in operation, how came it that Professor Wallas should issue the book which so staggered Mr. Pownall? Or why you can buy *The Prince* in the Everyman Edition?

HILDERIC COUSENS.
[We said nothing about universal suppression, but about selective exclusion. There is nothing in Mr. Cousens's argument that rebuts our suggestion of censorship: He might as well ask us why Major Douglas's books were allowed to be published.—Ed.]

SOCIAL CREDIT LANTERN SLIDES.

Sir,—To any of your readers who possess, or have at ready call, a Unit Portable Lantern, it will be of interest to learn that a film slide of forty illustrations (pictures, diagrams, comparative tables, and letterpress culled from Social Credit literature) is now available at the usual cost of 1d. per picture. The title of the film is "Machines and Money."

The combination of eye and ear in propagating makes the task a good deal easier. JOHN J. TAYLOR.
Claremont House, 22, Whitcliffe-road, Cleckheaton, Yorks.

INDIA AND CREDIT POWER.

Sir,—Listening to the Prime Minister's address on the Indian Conference, there crystallises the thought that we have been living through a season of tremendous concentration of Credit Power. Through the depreciation of silver, the credit power of the masses of India will have been severely straitened, and if the upshot of recent proposals is that there is a heightened demand for agricultural machinery and a call for engineering schemes of no mean computation, India, for all her new "charter of freedom," will be thrown into a new subordination for her demand for credits. Is it then that ere long we shall have our papers week after week scheduling Indian development loans? And for a spell

we may see an outburst of activity in certain of our British industries, on terms.

The prolonged depression we have suffered will have drained dry the resources of hundreds of thousands of small British investors. These new loans, with the tremendous powers that accompany them, will then mark a gigantic accession to the strength of the accepted great financial houses, with the nation as a whole just helplessly looking on. Is that how it strikes you? JOHN PEEL.

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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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