

THE NEW AGE

INCORPORATING "CREDIT POWER."

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NOTES OF THE WEEK.

Commander Carlyon Bellairs is disturbed about the Russian Five Year Plan. Speaking at the 1912 Club on May 5 he referred to the "menace of an enslaved nation of 161,000,000 harnessed under a single command to the most modern mass-production machinery." The world's only safeguard was to close its markets to Russian goods. America prohibited prison-labour goods, and would in a few months prohibit all forced-labour goods. Britain ought to do the same. In six years Britain had bought £140 millions' worth more from Russia than Russia had bought from Britain. With this balance Russia had been able to buy American machinery. His implication, of course, was that if this went on Russia would export more and more products made with more and more American machinery, until the day came when the world's populations outside Russia, including America (for in time Russia would make her own machinery) would be swept out of existence by a flood of means-of-existence. Now that is a sad picture indeed. Assuming that the facts are correct as Commander Bellairs states them it remains to enquire whether such an outcome can be prevented by other means than refusing to receive the dumped goods.

To begin with, there are certain political difficulties, one of which consists in the fact that, on his own showing, the Russian plan is subserving the United States' export policy. Coupling this fact with another, namely that American dollars and American engineers and organisers are co-operating in the scheme, it would not be unreasonable to baptize it: "The Young-Stalin Plan." One of Mr. Owen D. Young's most emphatic points in his San Francisco speech was that America's surplus production must be moved out of America—not for the benefit of the backward or needy countries which were to be supplied and developed, but to forestall or prevent an economic crash inside America. Moscow, so to speak, is New York's safety-valve; and London cannot go and screw the valve down

with fiscal prohibitions, as if Moscow's were the only policy concerned in the problem. Mr. Snowden, in his Budget speech, when he declared himself so emphatically against tariffs, was thereby repudiating the prohibition of imports—for prohibition is protection in its extremest form. Sitting and listening to him in the House on that day were Dr. Sprague and Mr. Montagu Norman. Dr. Sprague is the United States "Adviser to the Bank of England," appointed by the Federal Reserve Board. His relation to Mr. Norman is rather like that of an auditor appointed by a bank to advise the directors or proprietors of a debtor concern—i.e., an unofficial Official Receiver. Dr. Sprague's and Mr. Norman's mutual diplomatic and social relations may be brotherly; but financially Dr. Sprague is his brother's keeper. And similarly with the Chancellor of the Exchequer. As Sprague is to Norman so is Norman to Snowden—in fact, Snowden publicly called himself the "Banker's Minister" when he first assumed office. So when Mr. Snowden made the above declaration he may very well have been unwittingly communicating what was essentially Dr. Sprague's attitude with regard to Britain's policy concerning the Five Year Plan—and communicating it in code over the head of our absent-minded Parliament to high-diplomatic authorities all over the world, who would know how to decipher it. It may sound a warm proposition that Uncle Sam, while closing his own market against Russian exports, should constrain John Bull to keep his market open for them; but similar things have happened before. During the early days of the deflation period in this country the Bank of England was prohibiting foreign capital issues in London while the Federal Reserve Board was encouraging them in New York, with the result that Yankees spread themselves all over Europe and picked up the cheapest lots going in that Continental auction-room of bankrupt properties. And, of course, everybody is aware that the Dawes Plan, and the Young Plan, for reparations settlements, though inspired by American bankers, were never debated by British members of Parliament. Our Statesmen appear to have been infected with the identical

attitude expressed by Lord Astor at the Lotos Club in New York: "Send over Owen Young to do the job."

If our deduction is correct the "menace" that Commander Bellairs points out does not reside in the Russian Plan as a plan, but in this external check on Britain's freedom to deal with its consequences. It is a double check. Not only are we to be constrained in the interests of American Capitalism, to let the goods come in, but we are also to be constrained, in the interests of American Finance (and, in a fundamental sense, in the interests of the banking monopoly in general) to allow their arrival to produce the mischievous consequences on our own trade and employment which Commander Bellairs foresees and seems to think is naturally inevitable. We wish he would look at it from a sailor's point of view. Suppose, in the dead of night, such a thing happened as that some generous rum-runners stealthily dumped a hundred barrels of rum into one of His Majesty's battleships and sailed away. In the morning, when the dump was discovered, would the captain get in a panic and reduce the rum-ration? Now, Russian dumping is just like this. In international trade, goods have got to be paid for by goods or not at all. Accepting Commander Bellairs' figure, Russia has, on balance, virtually given to Britain £140 millions worth of goods in six years. Well, what's the matter with that? They are good goods, are they not?—they haven't been doctored with Prussic Acid, have they?—we can eat them, can't we? And as Russia has not asked for a return of the gift, or an equivalent to it, but on the contrary insists on increasing it in future, we can draw our chairs up to the table and set to, can't we? Come on, what does the Captain say? More rum aboard more rum-rations? It doesn't sound too silly, does it? So where's the snag?

From a physical point of view there is no snag at all. From whatever motive Russia gives us goods, the fact remains that the goods arrive here, and it is up to us to decide whether we divide them up between us as a supplement to our shares of home-made goods. Stalin does not impose a condition that we shall not do so; his immediate object is to move them out of Russia so as to move machinery into Russia; and he is not concerned about whether we eat his dumped exports or sink them into the sea. But such a condition is imposed by Mr. Montagu Norman. Without explicitly saying so, he is imposing on us a system of national accountancy which forbids us to incorporate this excess of imports as assets in the national balance-sheet. He is falsifying the national inventory, and pleading the false figures as a justification for passing the dividend. We are forced to take the goods in, but are forbidden to eat them because we have not made them, or rather, not made and exported an equivalent value in home-made goods. There is no essential difference between an excess of imports and a bumper harvest. If Stalin is a "menace" when he sends them over the sea, then God Himself is also a menace because He sends them sprouting up out of the ground (wheat) or growing out of a sheep (wool). Looked at in the proper way Stalin is doing the world a service because he is forcing the Statesmen of the world to re-examine the existing financial mechanism for distributing production among their consuming populations. Gandhi is doing the same thing; for an effective resistance to British imports into India has the same consequences as an effective insistence on pushing Russian exports into Britain—and the proof of it was seen in the ludicrous spectacle of seven thousand members of the Manchester Royal Exchange last Tuesday solemnly assembling in silent

protest against India's refusal to accept shirts from the shirtless masses of Great Britain. Look at them, bowing their heads in a Two Minutes' Silence over the departure of the Cotton Industry, yet all the time surrounded by millions of winking and nudging spindles whose death was being so grossly exaggerated! If they want to find the villain in the piece they need not go to India to find him; they have got him in their midst, namely the textile-machinery exporting-manufacturer who, in the last decade or two, has fitted India up with the means to supply herself. If they had caught and hanged him on a lamp-post, that would at least have been logical, although the ultimate logic would have required the hanging of the City loan-mongers who financed his activities while denying finance to Lancashire's natural market—the British consumers of cotton goods.

In a written answer to Mr. George Lambert, M.P., Mr. Pethick-Lawrence, Financial Secretary to the Treasury, states that the gold held and currency issued in the following countries at the end of 1929 were:—

	Currency Millions.	Gold Millions.	Proportion of G. to C.
United States (\$)	4,244	4,716	111.1
France (fr.)	77,231	55,616	72.0
Germany (rm.)	3,685	2,348	63.7
Italy (lire)	14,797	5,313	35.9
Great Britain (£)	249.8	146.3	41.8

Another table shows that, with the exception of the United States and France, increases or declines, when any, in these countries' gold-holdings, did not exceed £1,000,000 worth in any single case between 1929 and April, 1931. The United States' holding, however, increased from (£ mill.) 880.3 to 969.0; and France's from (£ mill.) 335.1 to 447.7 during that period. (*Times*, May 6, p. 14).

Mr. Lambert's intention in asking for this information was made clear by a letter from him to the *Times* of May 8 (p. 12), pointing out that the U.S.A. and France between them have hoarded half the total world-supplies of gold, and ascribing the continued world-depression to that fact. (The Gold Delegation to the League of Nations were mentioned in Mr. Pethick-Lawrence's answer as having estimated the world-stocks in the banks' possession as the equivalent of £2,207 millions.) Mr. Lambert's argument is (1) U.S.A. and France receive reparations; (2) both resist accepting goods in payment by high tariffs; (3) therefore the payments are received in gold. He concludes that "could these hoards circulate, purchasing-power would be stimulated," prices of primary products would stop falling, and there would be an upward tendency in trade. He submits that this is a much more likely policy for remedying the world-economic situation than President Hoover's policy of concentrating on "Disarmament." We can agree with him to that extent, and can also say that, within its immediate frame of political reference, his point is usefully made. We imagine that most ordinary people will have more confidence in a scheme for re-employing the unemployed which begins by putting more money into work than a scheme which begins by putting more men out of work. It would be another matter if the arrest of naval construction and the paying off of naval officers and men would have the automatic result of causing new construction of the same or higher monetary value in other directions; but as our readers at least are well aware such a result is by no means automatic—the only automatic result of Governmental savings is reflected in the accepted financial principle that Budget surpluses shall go to the reduction of the National Debt—an interception of expenditure-savings which in practice ultimately

provides the banks with an opportunity to sell their holdings of Government securities, which selling takes the money paid for them out of circulation and cancels it. (*Vide* Rt. Hon. Reginald McKenna in *Post-War Banking Policy*—a bank's sale of a security destroys a deposit.) Disarmament, therefore, is *deflation*; whereas what Mr. Lambert is asking for in form (though probably not in intention) is *inflation*.

We hope it will not sound too cryptic if we say that, from the bank's point of view, the contraction of circulating credit feeds their power of dictating the terms on which they are prepared to re-expand it. This is because a contractionist policy may plunge, say, a thousand business enterprises into bankruptcy, whereupon they are scrapped, or rationalised, or merged into, say, two hundred at the expense of citizen-shareholders, thus transferring the potential earning-power of a thousand competing factories and plants to a monopolistic two hundred. The contraction of credit thus tends to deprive the general body of consumers of bargaining power, and, conversely, to confer what we may term *fleeing-power* on a bank-controlled and, now, bank-administered, monopoly. When that process is complete the bankers can legitimately (as they measure legitimacy by their own rules) begin to expand credit again on the basis of this increased fleeing-power—or, as they call it, security-value—of their reconstructed enterprises. Naturally, they have no objection to increasing purchasing-power when they are in a position to ensure that it shall be spent by the public on what they want to sell at rack-prices instead of what the public want to buy at just-prices. They do not mind a rise in prices so long as the profits accrue to them and can be used to accumulate undistributed reserves. That is not "inflation," it is "scientific stabilisation"! What they object to is the risk of allowing private enterprises to gather such profits and to distribute them partly as higher wages and mostly as higher dividends; or, even so, if they do not distribute them, hold them as a fluid reserve for self-financing future operations instead of coming hat-in-hand to the banks for overdrafts. Readers will recall the complaint made by the Federal Reserve Authorities that when they tried to break the speculative boom in New York Stock Exchange securities by restricting loan accommodation, they were frustrated by private corporations which had accumulated fluid assets and were able to act as bankers to the stock market, putting into it as much as the trading bankers took out. It was a case of professional bear-bankers being tossed up by amateur bull-bankers. Again, as we have frequently pointed out, the British banks, through the Government, levied enormous taxes on what were called excess profits—a policy which had the effect of depriving industry of its fluid reserves by the time the bankers opened their crusade for clean finance in 1920 and began to call in overdrafts. There is not the slightest doubt that British manufacturers, with this experience behind them and with the ten-year-long series of commentaries on this experience, which we and our readers have diffused among them, would take good care not to be had the same way again if fortune brought them cash surpluses once more. We have referred before to the business proprietor whom we knew at that time, and who, after the slump set in, told us how he had been kicking himself because he had not made larger presents of profits to his staff instead of ploughing them into his and other enterprises. (Since he did, on one occasion, distribute a bonus to the staff of an amount equal to their salaries for a whole year, his regrets that he did not do more have an added significance.) Though this case is not put forward as typical of private enterprise as a whole, it does suggest that

the once-bit-twice-shy reaction has been taking place in the psychology of the business proprietors and administrators. If so, it supplies an adequate reason why the bankers are taking steps to ensure that it will be they and their nominees who will be in control of every key industry before they allow a revival to take place. And if and when another world-war breaks out, with its inevitable concomitant expansion of credit, the bankers' only chance of retaining any control over the economic situation (and it is a vanishing chance even at the best) is to become the actual sellers of war-munitions as well as the lenders of war-credits. The confiscation of profits, dividends, salaries and wages that has been going on since 1920 can be considered as the laying of the foundation for an All-in Bankers' Munition Corporation. It has been a process of commandeering private initiative on all planes, and centralising it in their own hands. Their slogan might well be: "If there *must* be another war, *we'll* run it." And if Britain and the United States happen to be on opposite sides—*then* watch out! We shall have a Yankee British Consortium of bankers running our war industries and inspiring our war-Press on the one side, and Yankee bankers exclusively running such forces on the other. For, whereas Dr. Sprague is here to advise the Bank of England what to do, no corresponding British adviser is allowed in New York to advise the Federal Reserve Board what to do. All the spying is done by the Dollar on the Pound. It may sound pleasant to be reminded that the Pound can look the Dollar in the face, but it would be advisable for the Pound to drop its eyes occasionally to see that the Dollar's nimble fingers are not going over its pockets for arms—for, in the last analysis the survival of British credit depends on the strength of the British navy, and *must do so* until we shall have reversed the present principles of credit-finance and thereby eliminated the incentive to international market-snatching which is the immediate cause of war risks and of the necessary military insurance against them. And, looking at the problem in terms of men and personal initiative and courage, it is still true that the power of victory resides in our own playing-fields and not in cosmopolitan counting-houses.

And now let us have another look at the figures elicited by Mr. Lambert. They tell a great deal more than he asked for or knew that he was asking for. This always happens on the rare occasions when our shy banking authorities are asked specific questions to which they cannot avoid giving specific answers; and that is a reason why Members of Parliament in all Parties should follow the example set by Mr. Lambert. We do not expect them to prejudice their political careers by prematurely exhibiting sympathy with the Social Credit analysis and proposals, or putting such leading questions as we should do in their place; but we have a right to expect representative politicians to display neutral activity in exploring that territory of financial premises, rules and procedure which, up to now, has been in the sole occupation and control of private non-responsible persons. The old notion: "What the banks do doesn't much matter," has yielded to the instinctive conviction that, "Nothing matters but what the banks do." If what they do is right, or is inevitable, well and good. But that *If* has got to be dealt with as the most urgent subject of Parliamentary research. The very existence, let alone the prestige, of Representative Government, is bound up in the answer. So let there be questions; and then questions; and then more questions. What they are about, and why they are put, are secondary considerations for the moment; for so far as we are concerned we know very well that there will be pickings for us in every answer. We are like our dog, who is content to sit under the table while our cat

climbs up and drags the meat on to the floor. We can make a sort of meal off all crumbs of information from the Treasury table.

The first thing Mr. Lambert saw in the figures was that the United States and France were shown as the world's chief gold-hoarders. He seemed to ascribe a stupid, dog-in-the-manger, motive to these two countries, and to suggest that an equitable re-distribution of gold would revive prosperity in other countries without prejudicing their own. But the truth or otherwise of this diagnosis and remedy depends on the frame of reference in which the facts are considered. If, for instance, we adopt the postulates (a) that a country's prosperity can be restored by providing it with a wider credit-basis; and (b) that its use of more credit will increase its economic self-sufficiency and render it less dependent on selling goods abroad; then Mr. Lambert's idea becomes at least plausible—for a reason which we will notice later. But, as our readers are aware, these postulates are illusory. In the Social Credit frame of reference the revival of productive activity in any country must inevitably be an added danger to that of every other—the reason being that the outcome of this increased activity is an increased pressure to dump the products outside, because current credit-policy and pricing-technique prohibit their internal consumption. Thus it becomes a logical necessity that whatever is done to revive economic strength must be accompanied by action to increase military strength—or, safer still, must be preceded by the latter kind of action. Imagine Switzerland discovering how to use solar-energy free of cost for prime-movers in industrial processes. On paper she could put the world out of business—but actually she couldn't unless she could wallop the world on the battlefield.

Now gold is a military as well as an economic weapon. So before one hastily concludes that France is a witless poodle for accumulating gold, one has first to make sure whether her motive is based on peace-strategy or war-strategy. There is no clear, direct evidence, nor can such be expected in the nature of the case. But there is collateral evidence. We have been over it occasionally in the past, and will not analyse it again now, but will re-state the conclusion to which our readers will remember that it led; namely, that France had assumed the role of the European David taking up the financo-economic challenge of the American Goliath. Considering, as we also pointed out, that that role ought properly and logically to have been assumed by the country whose world-possession offered the widest scope for American penetration—namely, Great Britain, and that Great Britain instead rattled on Europe and became bailiff for New York, and agent for Washington, in Europe, then it comes with bad grace for British Members of Parliament to grudge France her acceptance of our neglected duty, and with bad sense to condemn her preparations for carrying it out—unless, of course, we really believe the proposition that a stable world-economy can be established by ploughing European interests and cultures into an Anglo-American politico-economic world-dictatorship. France, of course, is not acting out of benevolence either to us or to any other country, but her policy is compatible with the self-determination of Europe, whereas American policy is not. France knows what she wants, says what she wants, and does what she wants. With two exceptions the other European countries are devoid of any intelligible policy—they are victims of Lotos-Club Statcraft. So France goes ahead. She says to herself: "Whatever the others do I'm going to look after myself." And having taken notice that for some reason America is hoarding gold she appears to have decided that, whatever the reason, that which is good

enough for the challenger is good enough for the responder. If gold will make a sword for Goliath to wield it will make a stone for David to sling. *N'est ce pas? Voila! Fini!*

There is, in the Treasury's answer to Mr. Lambert, an implicit commentary on gold standard doctrine. Within its scope it shows a wide variation between the currency-ratios of the countries named. The United States, for instance, uses nearly three times the amount of gold than Great Britain does to back a unit of currency. Currency, however, is only a part of the credit circulating in a country—a very small part where the cheque-habit is strong and a larger part where it is weaker. The statistical table would therefore have been much more useful if the (a) total assets, (b) total liabilities, and (c) total deposits, and, perhaps, (d) clearing-house returns of the several banking systems had been included. These would have shown approximately how much work each country was making its gold do; and the reason why such information would be useful is because it would, without a doubt, show that there were wide differences between the ratios of stored gold to circulating credit; and this fact would open up the question: "What is the gold standard?—does it embody a fixed universal law, or is it an improvised excuse to justify a restrictive credit-policy? No light on this is afforded by bankers. The right-wing bankers stand for hoarding, but the left-wing bankers (of which Mr. J. F. Darling is the foremost representative) have gone so far as to prescribe for the British Empire the policy of stuffing gold into the United States.

In this magical sphere of contradictory expert theory is it any wonder that men with the keenest analytical brains should be left groping for the truth, as was illustrated so vividly on March 26, when Lord Justice Scrutton answered £9,000, and Lord Justice Greer £300,000, in reply to the question: How much does a bank lose when it issues £1,000,000 worth of currency unbacked by gold? Next autumn the House of Lords is to have a go at the conundrum, and we can conceive it possible that a sharp barrister might sustain the submission that the bank, not only loses nothing, but gains something—or at least, that the banking system does so in terms of trading profit. While on this subject we want to quote an interesting paragraph from the "Daily Telegraph" of March 6, which appeared in an article on the retirement of Sir George May from the secretaryship of the Prudential Assurance Co. We quote it because Mr. Justice Wright, giving judgment at the initial hearing of the Bank of Portugal's action, used the argument that the false notes issued by Marang would "buy exchange"—an argument which we criticised in our issue of March 20.

"In the early days of the war a message was received from the United States that although £52,000,000 worth of orders had been placed there for war material by the British Government, the contracts could not be signed because there was no balance to meet the amount. The demand was that £13,000,000 should be paid down immediately.

"Mr. McKenna, then Chancellor of the Exchequer, summoned the heads of the Prudential Assurance Co., among whom was Mr. (now Sir) George May. 'How much money have you in American securities?' he asked. Mr. May answered, 'Forty million dollars (£8,000,000). May I have them?' asked the Chancellor. 'Yes,' was the reply. 'Well,' said Mr. McKenna, 'send them to the Bank of England by ten o'clock tomorrow.'

"Once in possession of this amount, he added £5,000,000 in gold from the Bank of England, paid the whole sum into the Morgan house in London, and saved the situation. Sir George May served as manager of the American Dollar Securities Committee in 1916-18."

Leaving the gold out of the question, the effective payment of the £8,000,000 could obviously not be

made in the form of British bank-notes or currency-notes, or otherwise Mr. McKenna would have chosen that convenient method of settling; for those notes were being manufactured and issued in any quantity the Government wanted. It is true that Mr. McKenna could buy, and probably did buy, these dollar securities with British notes from the Prudential—and in so doing was using notes to buy "exchange"; but he bought it from a British holder, who could use the notes in the British credit-area. This is entirely a different proposition from that implied in Mr. Justice Wright's argument, namely, that an addition to the currency-notes in a country is an addition to the power of settling foreign debts. Dollar securities—or dollar exchange—are debts owing by Americans. That is why they are an acceptable form of settlement of debts owing to Americans. Clearly the issue of extra British currency does not create foreign indebtedness to Britain. Hence it cannot function as a form of international settlement. Banks create credit and deal in exchange: industry deals in credit and creates exchange.

The latest news from Australia includes the episode of a run on the N.S.W. State Savings Bank. This was predicted by Mr. Lazzarini, a member of the Lang group in the Commonwealth House of Representatives (see "The Times" of April 22, page 13), who said it would come about as the result—and calculated result—of attacks on Mr. Lang by Mr. Bavin and by Mr. Stevens, the late Premier and Treasurer of New South Wales. He also included Mr. Theodore in his indictment for having said in public that Mr. Lang would "lay predatory hands on the people's savings." This development should be made the most use of by Social Credit teachers, because it is a clear-cut illustration of the fact that the ebb and flow of "Confidence," on which the credit of a country is said to rest, is engineered by bankers and their agents. We will make bold to assert that not one single depositor in Australia would have deduced any threat to his savings from Mr. Lang's programme and speeches if left alone. His unsophistication would have caused an opposite reaction because Mr. Lang's policy, broadly stated, is to press for a reduction of the claims for money due by the State to foreign bondholders (and in the meantime to suspend interest-payments) and this policy, by conserving the money resources of the State, would seem to an ordinary individual to be more a guarantee of security to his savings than the policy of sending money away. ("Lang might sneak my money to pay the foreigner!")

Our younger readers will probably not know that not so long before the war the banks kept a strict watch for people who sowed doubts in their neighbours' minds about the ability of the banks to pay out their depositors. It was (and for all we know still is) an offence punishable by law, and subject to penalties of the same order of severity as are forgery and blackmail. One does not hear of it now for the excellent reason that in August, 1914, the banks got rid of their liability to pay out gold, and, after the war, got control of the manufacture and regulation of the pieces of paper that were made payable to depositors in the place of gold, that is, currency notes. Nominally, Parliament sets the limit to the quantity that may be in existence, but in actuality a telephone message from Threadneedle-street on any morning would be sufficient to get the limit raised to any extent the Bank thought desirable. A Government depending on bank advances for its existence as a functioning institution is a beggar, and is no more able to be a chooser than is a beggar. Banks, no longer liable to deliver real tangible wealth, but only photographs of it, could, if necessary, pay out everybody at any time, even if everybody came at the same time. It is an ironic reflection that it was

only a crime to whisper against the banks' solvency at the time when they were actually insolvent. They expanded their liabilities against an inexhaustible asset—gold: but now they can meet their liabilities with an indefinitely expandable asset—paper.

The reason why we dig up this fact is because the existence of the law and penalty referred to is unanswerable evidence that irresponsible gossip could bring about a panic. Whether true or false would make no difference to the possibility of the result. For use in Australian political controversy, the best way to present the lesson is to say that any liar can start a panic. All he needs is to gain the confidence of the many ignorant, cow the few instructed; and then he can destroy the public's confidence in the wise. These conditions can be easily fulfilled, for banking is carried on, even normally, by a system of legalised and organised lying, blackmail and forgery. The master-lie is that bankers have no more power than have commercial institutions; the master-blackmail was clearly indicated when the *Financial Times* said that the City could destroy any Government that interfered in credit-policy; and clearly suggested by the recent episode of the overnight change-of-front of the Melbourne *Argus*; and the master-forgery is, technically, the substitution of paper symbols for concrete wealth (which need not matter so long as the public understand the right and wrong use of the process), but, politically and economically, it is the deletion from bank accounts of the records of credits prematurely withdrawn from the public. In a modern industrial State it may be affirmed without straining the probable truth that more than a half of any price charged to a consumer represents a secret levy by the banks on the community's credit resources—a levy of which there exists no record, for the reason that it has gone into the hidden reserves.

Take the case of the Sydney Harbour bridge—a constructional work which financial critics are fond of adducing as an example of Australia's "extravagance." What extravagance? Extravagance of idea? Surely the people of Sydney saw a use for the bridge—an advantage in having it. It would not have been built otherwise. It was economically desirable. The "undesirable" element is not the bridge but the cost of the bridge. It is undesirable only because the taxpayer finds the cost beyond his means. But why is that? It is because the cost of building the bridge figures as a liability of Australian citizens, but the value of the built bridge does not figure as an asset of Australian citizens. There it stands, practically new, and therefore worth its whole cost. "Rot," says the banker; "the money went out to the community and was spent by them: now they owe it and must pay." Quite so, but some questions still remain. One has just been mentioned; namely: How much of the community's expended money was a banker's-tax for hidden reserves levied through the prices of their means of life? Another is, perhaps, more subtle. It has to do in principle with the hypothetical technical question: Is a succession of, say, ten loans of £700,000 each, separated by lapses of time, the same thing as one loan of £7,000,000 issued at one time? Lastly, and in any case, if so much money is paid out to build an asset, why have not the community collectively got money in their own right equal to the cost of the asset when it is built? Where is the leakage? Profiteering? Rack-renting? Share-pushing? These are no answers: for those gains are still within the community's possession. Or a leakage abroad? That will not do, because every country in the world exhibits a leakage.

Mr. McKenna has shown that money appears and disappears only by the action of the bankers in

issuing and recalling it: there is no way in which money can otherwise disappear unless it be by the action of some lunatic who tears up currency notes. Now, both bankers and reasonable men will agree with the proposition that when an asset (a real, a physical, or usable asset) is totally consumed, the credit reflecting that asset should be retired. When no asset, why money to buy it? That's sense, isn't it? Now for a corollary. Until an asset is totally consumed the credit reflecting that asset should *not be totally retired*. If an asset, why no money to buy it? The required money is simply a claim for the asset, and costs nobody anything to create and issue. This does not mean that in the presence of an asset every individual in the community need necessarily have sufficient money to buy and consume an equitable share of it, or any share at all. That is a matter of morals and politics, and has nothing to do with the arithmetical equation under discussion, which requires that the collective assets of a country (or the world) should be purchasable by the community collectively in that country (or the world). Manifestly, the equation is not satisfied; and until it is satisfied it is pure waste of time to try to correct inequities in the division of wealth. Human nature being what it is, namely natural, you can no more bring about an equitable re-distribution of money which is in short collective supply than you could get oak trees to go slow with the water in a drought for the sake of the vegetable marrows. Individuals and classes comprising a community will not treat each other rightly until the custodians of the money-system treat the community rightly. Human beings, even now, are not less considerate than the animals whose economic principle in life is: "Anybody can have what I don't want." That is as much altruism as is necessary for the working of the Social Credit system. To talk about the "personal element" as an obstacle to sound financial reform is twaddle.

Panic is like war: any fool can start it; but wit and luck are required even to localise it, let alone stop it. This truth was brought home to the Australian bankers. Though Mr. Lazzarini proved correct in his prophecy that there would be a run on the N.S.W. Savings Bank, he did not foresee that the secondary effect would be a run on the Commonwealth Savings Bank, which feeds the Commonwealth (Central) Bank; for if he had, he would have enjoyed saying so. That, however, was what took place. First, the N.S.W. Savings Bank closed its doors by the advice of its Commissioners (all of them agents, and probably nominees, of the professional financial hierarchy) who had meanwhile arranged with the Commonwealth Savings Bank to accept responsibility for the N.S.W. Bank's unfulfilled liabilities. Mr. Lang, as merely the chosen representative of a large majority of the N.S.W. electorate, had to agree to both steps—steps by which Democracy has to climb down when the bankers tell it to get off. So far so good for the Little-Australian Bankmen and for their Political Minister, Sir Robert Gibson, President of the Commonwealth Central Bank. But, as we say, the momentum of savings-withdrawals gathered speed; and by May 3, only eleven days after Mr. Lazzarini had prophesied the initial raid by one group of depositors, Sir Robert Gibson was using the wireless to try to hold up a second raid by another on his own Savings Bank. (*The Times*, May 4, page 13.) Bleeding Mr. Lang's Bank might "restore confidence," but bleeding Sir Robert's would destroy it! So far as we can make out it would appear as if the depositors in the Commonwealth Savings Bank thought to themselves that perhaps their savings would be drawn on to pay out the still-unpaid depositors in the N.S.W. Savings Bank; and made up their minds to get out first. If so, this affords two

well-merited morals for the bankers, namely that (a) keeping the common people ignorant of the fact that "approved" banks can always pay them out; and why: and (b) exploiting their ignorance to smash up a disapproved political policy, both require a degree of skill in handling boomerangs to which they have evidently not yet attained.

It is easy to guess that the trading banks themselves got nervous, and that, according to their nature, they ratted on their own political agents. At any rate, Sir Robert Gibson, in his wireless talk, assured his listeners that the N.S.W. Bank need not have been closed but for "statements of those desiring to bring about disaster." Who were "those"? Sir Robert did not say. Was he imputing responsibility to the Lang group? If so, why did he not say so? His ambiguity must have amounted, in the public's estimation, to a tacit endorsement of Mr. Lazzarini's imputation against Mr. Bavin and the rest of the anti-Lang group.

In his hurry to stop the raiders, Sir Robert let slip an indiscreet statement. He assured them that the Commonwealth Bank had "control of the note issue and could command currency resources to any extent the Board deemed necessary." Good: then why did the Commonwealth Bank not devote its unlimited command of currency resources to help the N.S.W. State Savings Bank through its crisis?—or, alternatively, why did Sir Robert not announce his ability to do so before the crisis came and shut up the Bank's doors? Again, it is significant to observe that Sir Robert's method of restoring "confidence" was to assure the public of his power to do that very thing which he and his group had previously been insisting would *destroy* "confidence"—namely, to inflate (as he had called it) the currency. Are there two brands of "confidence"; or does the "inflation" resorted to by banks for their own protection possess different properties and yield different results from the "inflation" resorted to by representative Governments to mitigate distress among the population? Lastly, and comprehensively—*whose property is new currency, any way?*

Such questions as these simply leap out of the episode; and the Commonwealth Government were not slow to exploit this speech of Sir Robert Gibson's when, a few days later, they had to answer a vote of "No Confidence" moved by the new leader of the United Australian Party in the House of Representatives. Mr. Scullin acutely observed (*Times*, May 9, p. 12) that when Mr. Theodore had contended that there was no limit to the currency that could be issued except the limit dictated by wisdom and prudence, he was publicly charged, on the basis of that statement, with the intention of flooding the country with money: but that when Sir Robert referred to the Bank's unlimited command of currency, he was making exactly the same statement as Mr. Theodore. Would it be fair, he challenged the Opposition, to charge Sir Robert with the intention to flood the country with money? We can add this further observation, namely, that Mr. Theodore did fix a definite limit to the currency he was proposing to issue—£12,000,000; whereas Sir Robert did not: he was essentially promising to issue, should it become necessary, an amount of currency equal to the total savings deposited in the Commonwealth Savings Bank. Whatever the Bank needed was wise and prudent to print; but whatever the Government needs apparently must not be printed—it must be fished out of the taxpayers' pockets. Well, we are a step nearer the emergence into urgent practical politics of the fundamental and universal issue: *What is, and what is to be, the place of a Banking System in a Constitutional System?*

Drama.

London Wall: Duke of York's.

In this free country of England nobody can enter any social aggregation without declaring the source of his income. In Bohemia as in Philistia the first question asked about the new-comer is, How does he gain a living? If a lucid answer is not forthcoming at once, the stranger is suspected, feared, and shunned. An honest living is one obtained by work, legacy, speculation, avoiding the payment of taxes, or securing American gold. A dishonest living is obtained by avoiding the payment of creditors or securing Russian gold. As it becomes increasingly difficult to gain either, work takes an increasingly important place everywhere. In the theatre of the past it was enough that a character was king, lord, apothecary, rustic, or fool; tinker, tailor, soldier, sailor, rich man, poor man, beggar man, or thief. It was granted that a living could be gained by any of them. In the spacious nineteenth century it was equally enough to know that a character was a burgomaster or a shopkeeper. Now that the wealth of the world increases in proportion to the poverty of the people, even dramatists are beginning to feel the audience's mighty question: Show us, before asking us to believe anything else, how your characters obtain a livelihood. Drama has advanced from portraying the spirit of man, tragic but rebellious and creative, breaking its wings against the cage of Fate, to portraying the spiritless body of woman, passively mangled by the economic machine.

The scene of "London Wall" is a lawyers' office in the City during working hours, which usually extend beyond the scheduled time. The office-boy, Birkinshaw, is young enough to enjoy glimpses of love-letters in pending divorce cases, or listening-in to his elders' private telephone calls. The new typist, Miss Milligan, is also able to enjoy the novelty of business. But Brewer has been there longer, and although he works well, he requires an antidote, and foolishly kisses the typists in his own office instead of those from next-door, which would, on his employer's admission, have been less offensive. Miss Janis has been in the office for many years. She is already thirty-five; and she has to flog her super-secretarial efficiency out of herself as she watches her last chance of exchanging the office for a home melt and slip through her fingers. Miss Button, made of gayer stuff, comes late back from lunch, bubbling over with cocktails, and makes as sure as possible of getting away promptly to keep appointments "up West," thus making the best of both markets.

Mr. John van Druten's "Young Woodley" treated schoolboys as individuals. His "After All" showed the centrifugal as well as the centripetal force—so beloved of Barrie—in an English home. In "London Wall" he has attempted to differentiate the worker-bees of the City, and to reveal their human, private, lives between the bolts and bars and pistons of the machine. This was a difficult thing to attempt by way of the "representational" technique. Hitherto it has been tried with any degree of success only in the "expressionist" technique, as, for example, in Kaiser's "Morn to Midnight," or Rice's "Adding Machine." But expressionism is an outlet for explosive fanaticism, which is not in Mr. van Druten. He is rather the tender, sympathetic, nurse of his characters, who wants them to be understood and forgiven because they know not what they do. While Mr. van Druten has not wholly succeeded in "London Wall," it is one of the plays well worth seeing. The people are such as we know, represented in the

theatrical medium, and not mere theatrical abstractions from life, dressed up to make an unreal show. The incompleteness of Mr. van Druten's success is due to his not having thoroughly kneaded his material before baking it. The currants, may it be said, are on top, which is to say that the characters' private lives are not seen through the machine, but in front of it. If the play had been thoroughly kneaded the character of Miss Willesden, the slightly mad client who blew along any time from Brighton, would have been squeezed out altogether. As it is, she appears to be the only client of a busy City solicitor with a large staff, and to enjoy the extraordinary honour of being interviewed publicly in the general office. In addition, Mr. van Druten does not bring off with his past success the disclosure of his characters' minds while they try to mask them, a power which made the craftsmanship of his earlier plays comparable with Bernard's. In "London Wall" the characters disclose themselves. Nevertheless, Mr. van Druten is to be congratulated on his apparent determination to conquer new realms. Under Miss Auriol Lee's guidance the play is well acted. The office-boy, by Birkinshaw, is a treat, but children are better actors than grown-ups. They have more faith. Marie Ney as Miss Janis and Helen Goss as Miss Button are both creations almost without blemish. In the last act, when the author is on the verge of straining credulity by renouncing the world and the flesh for the theatre, it is Marie Ney's temperateness which saves him. Henry Mollison's Brewer and Frank Royde's solicitor are also well and temperately performed, but the acting which has to be selected for special commendation is Nadine March's performance as Miss Hooper. It is not throughout at the high level of perfection, but it reaches perfection. The part is comparatively small. Sometimes only a short phrase is to be spoken. The actress concentrates all that is necessary into one quick gesture, and communicates all meaning by one thoroughly studied line. Such acting will not obtain straight-lead parts which make servants in front of their mirrors wonder whether they look like So-and-so, but it is acting. I did not like Frank Lawton's incessant repetition of the hobbledehoy gesture with his shoulders every time he spoke. Twice would be often enough. Heather Angel's lisp was much less in evidence than when I last heard her, I hope she will give it up completely; but her vowels are in as much need of rounding as ever. The word going cannot be passed as *going* from the stage, which is, in the default of Oxford, the custodian of English speech.

Pygmalion: Kingsway.

The Macdona Players have formed a repertory company and *The London Playgoers' League* for people who regard the play as the thing. Membership is a title to purchase tickets at about half the usual prices. The present revival, "Pygmalion," which is for a fortnight only, is one of the finest of all comedies, and if the theatre can present plays as well worth seeing for their own sakes, by Shaw or by others—I recommend "A Month in the Country"—may success be with it. Mr. Esmé Percy has produced "Pygmalion" as oratory, which is right; but with his own oratory, his great quality, as Professor Higgins a little over-pronounced, which is not right. For the present production no actor is starred; that is, there are no illuminated names outside the theatre. Nevertheless, one of the actors is a conscientious craftsman who does thoroughly well every part he undertakes, big or little, and his *forte* is not Mayfair epigram in evening dress, or the exploitation of his own personality in any circumstances, is rarely heard. I refer to George Merritt, who repeats a triumph as Alfred Doolittle.

PAUL BANKS.

The Films.

The Ringer: New Gallery.

This Edgar Wallace film is (for Mr. Wallace) a mediocre sort of thriller, lacking the atmosphere of suspense that was so successfully created in the stage play. The whole plot is based on the identity of "The Ringer," which is apparent from the start. Franklyn Dyall, as the suave and crooked lawyer who lives in perpetual terror of "The Ringer" gives a sincere impersonation, but Gordon Harker carries off the honours. John Longden, while having quite a large part, has seemingly very little to do with it.

Inspiration: Empire.

"Anna Christie," Greta Garbo's first talkie, made me a Garbo "fan." "Romance," her second talkie, rather made me revise my opinion, although that was partly due to the film itself, which was not in the same street as "Anna Christie." "Inspiration," her third talkie, makes me inclined to think of Miss Garbo as I did in the days of silent films, namely, as a greatly over-rated actress. But it is only fair to say that "Inspiration" is a dreadfully bad film. It purports to be a screen version of "Sapho," one of the best third-rate novels ever written, which had guts and atmosphere. "Inspiration" has neither. It is completely wooden; as slow as the slowest English picture; does not contain a single character, including that of the heroine (here re-named Yvonne of all banalities) in whom one can take the slightest interest; and neither Clarence Browne, the director, nor any of the cast seem to have taken the slightest interest in their job. As for Miss Garbo, who plays entirely on one monotonous and artificial note, her acting is nothing but vamping by machinery. The dialogue is painfully mediocre, and the whole affair is obviously what a certain type of American producer deludes himself into regarding as sophisticated, which means what Oskosh or Mauch Chunk, Pa, may conceivably regard as daring or illustrative of "high society." As is common in American films, most of the players mangle French names in a variety of terrible accents. The acting calls for no special notice, beyond the fact that Lewis Stone's greatest admirers must be heartily tired of seeing him as an elderly admirer of Miss Garbo. Incidentally, "Sapho" should be done out as a costume piece; modernisation complete with telephones, motor cars, cocktail parties, and golf clubs (imagine Sapho's young man playing golf at a country club outside Paris) is something worse than a mere anachronism.

This film should be re-named "Uninspiration."

Dreyfus.

I recently had the very interesting experience of being able to compare the German with the English version of this film. The comparison showed how extraordinarily far our studios have progressed in making multi-lingual films since the same producers gave us "Atlantic," the first talkie in more than one language. Much of the two versions of that picture were common to both, as in the crowd scenes, which many people consider the best part of the film, and I believe I am right in saying that the whole of the production was made at Elstree. While the two versions of "Dreyfus" are very similar—although there are some small but important differences—two entirely different pictures have, in fact, been made on the same theme. The German version has a different director, Richard Oswald, and a different technical staff, and unless I am mistaken practically

the whole of the "shooting" must have been done in Berlin. There is an extraordinary difference between such thoroughness and the clumsy and rather pathetic attempts at voice doubling that characterised some of the early talkies in more than one language.

Both versions of "Dreyfus" are so excellent that it is almost impossible to express a preference for one or the other. But there are some noteworthy differences in the acting. I prefer Fritz Kortner's Dreyfus to Cedric Hardwicke's impersonation. On the other hand, Oscar Homolka's Esterhazy, although good, seems more Teutonic than Gallic, and the same applies to some of the other officer roles. Heinrich George's Zola is admirable; he dominates the picture, as does George Merritt in the English version. British International Pictures are to be congratulated on having sponsored two such noteworthy productions.

The Skin Game: Regal.

Alfred Hitchcock is to be congratulated on this film. It would have been extraordinarily easy—and entirely in the traditions of Elstree—to have made just a good, perhaps a very good, photoplay, but Mr. Hitchcock has managed, while keeping faithfully to the stage version, to make a good film. He is admirably assisted by his players, especially Edmund Gwenn and Phyllis Konstam. Mr. Gwenn plays his original part of Hornblower, and improves on his stage impersonation, which was spoilt by an intensity that at times came so perilously near to ranting, that it was hard to tell the difference. While still dominating the picture, he has slightly relaxed the tensivity. Miss Konstam, as Cloe Hornblower, is more than admirable; in her way she dominates the picture as much as Mr. Gwenn, and achieves that rare thing, rarer on the screen than on the stage, of not seeming to act a part but to live it. I have had a great admiration for Miss Konstam ever since seeing her in the stage version of "Tents of Israel"; in this film she not only shows herself to be one of our best young actresses, but gives very definite promise of greatness. It is a pity that she allowed herself to be photographed in a veil that made her look as though she were suffering from spotted fever.

In "The Skin Game" Mr. Hitchcock has shed some of his characteristic mannerisms, but he makes far too much use of the moving camera in the auction scene. Here the camera is so violently alternated from left to right and back again, that the spectator is in danger of vertigo or seasickness. This sort of thing is not good cinema, and although the trick was effective five years ago, it has long since ceased to be worth employing merely for its own sake, especially by such a talented director.

"The Skin Game" was shown at the Regal for only a short season. I cordially recommend my readers to see it on its general release. It has the incidental and great merit of complete sincerity, on the part of players and director, and there is not a trace of that false sentiment or over-emphasised emotionalism that might so easily have been injected by an American director.

DAVID OCKHAM.

A BUDGET MYSTERY.

At a recent public meeting in Coventry, a member of the Legion of Unemployed asked a question in this form: "How has the Chancellor of the Exchequer 'balanced' his Budget when he has included the National Debt Account, but has left out the National Credit Account?" A deep challenge this—too deep for the gentleman on the platform, who replied that he thought the missing National Credit Account would probably be in the Post Office Savings Bank! (The audience laughed loudly.) G. H.

Can These Bones Live?

[The button-badge adopted by the Legion of Unemployed is, at first sight, gruesome and forbidding. It is a skeleton hand. In a circular surround is inscribed the name of the Legion, together with the three words: Food—Warmth—Shelter. This design was chosen out of an assortment of about twenty. The choice was not influenced by the officers, but was left to the open vote of the men. What considerations made them fix, and very definitely fix, on that skeleton? Nobody can be sure—probably they least.]



The hand of the Lord was upon me, and carried me out in the Spirit of the Lord, and set me down in the midst of the valley which was full of bones.

And caused me to pass by them round about: and behold there were very many in the open valley: and lo, they were very dry.

And he said unto me, Son of man, can these bones live? And I answered, O Lord God, thou knowest.

Again he said unto me, Prophecy upon these bones, and say unto them, O ye dry bones, hear the word of the Lord.

Thus saith the Lord God unto these bones, Behold I will cause breath to enter into you, and ye shall live.

And I will lay sinews upon you, and will bring up flesh upon you, and cover you with skin, and put breath in you, and ye shall live: and ye shall know that I am the Lord.

So I prophesied as I was commanded; and as I prophesied there was a noise, and behold a shaking: and the bones came together bone to his bone.

And when I beheld, lo, the sinews and the flesh came up upon them, and the skin covered them above: but there was no breath in them.

Then said he unto me, Prophecy unto the wind, prophesy, son of man, and say to the wind, Thus saith the Lord God: Come from the four winds, O breath, and breathe upon these slain, that they may live.

So I prophesied, as he commanded me, and the breath came into them, and they lived, and stood up upon their feet, an exceeding great army.

[From the Book of the Prophet Ezekiel, Chapter 37.]

REPORT OF THE WATERLOW APPEAL CASE.

The issue of *The Times* Law Reports containing the Waterlow Appeal case is that dated May 1. The issue containing the report of the original action brought by the Bank of Portugal is that dated January 30. The price of each is 1s. Copies are not stocked by the Credit Research Library, but will be procured to order if desired. They are on sale at *The Times* office, Printing House Square, E.C.

"Incidentally, I might take this opportunity to observe that the world-wide depression will not be cured until the doctors make up their minds to give up bleeding as a cure for pernicious anaemia, for that is exactly the attitude which contemporary financiers, with a few notable exceptions, like Mr. Reginald McKenna, are taking up. So long as this shortage of currency is deliberately maintained in the interests of those who have obtained control of the world's currency, so long shall we suffer from absolute 'remedies' . . . There is no desire on my part to trespass with politics or political economy upon space that should be preserved for music, but when I receive letters from correspondents who are longing to buy good music, but who, owing to the circumstances of the time and the folly of professional politicians and financiers, are being deprived of their purchasing power, my criticism of a superb achievement like a Bayreuth Tannhauser must include those whose conduct of affairs is making it increasingly difficult for such achievements to be carried through."—Compton Mackenzie in his Editorial in the *Gramophone* for March.

The Hon. Sir Charles A. Parsons.

By James Golder.

VIII.—THE EXTREMIST.

One of the consequences of being an idealist of the Parsons vintage is to be labelled with nicknames such as "revolutionary," "crank," or "eccentric," and Parsons did not escape the experience of being thus discredited in his early days. Yet he survived to transform that particular crown of reproach into a halo of practical benefit to the age in which he lived.

In suggesting that steam could be effectively used and its energy more efficiently extracted, in a way entirely opposite to that of the Watt engine of over one hundred years' standing, Parsons was rightly judged an extremist of a dangerous type. He was a threat to every interest. This notion of his, that the Alexandrian apothecary, Hero, making steam engines two thousand years ago, was right, and that Watt was wrong, upset all popular ideas of human progress. It was almost a challenge to the universe. Every established practice would be completely changed. The ingenious indicator-diagram invented by Watt, and almost worshipped as the index of duty and criterion of efficiency, as well as the measure of price, could not be applied to a steam turbine. It meant red ruin, and the breaking up of laws. The fellow *must* be stopped. In addition, to abolish the piston, the slide valve, Stephenson's link-motion, Joy's valve-gear, the Corliss economic cut-off-gear, the connecting rod, the crank, the eccentric, and the fly wheel, all of which were sacred to the heart of the nineteenth century engineer, was extremism amounting to iconoclasm.

It cannot be denied that Parsons visualised all this so-called ruin. Neither can it be questioned that his inventions, and his energy in applying them, shattered the hopes and damaged the prospects of many another practical prophet like himself, thinking in other directions; but, it can be denied that he ever thought of his work in any other terms than those of development; of practical progressive fulfilment.

Having taken the sting out of the sobriquets "extremist" and "revolutionary," it is not an unpardonable misuse of language to state that in *discrediting* the mechanical cranks and eccentrics, which he abolished as adjuncts of a perfect steam engine, he *accredited* their spiritual counterparts as necessary features of intellectual progress. A crank is but an eccentric of larger sweep. Both embody the principle of the lever, the elementary basis of every form of advantage; the extension of bodily function, whereby man claims dominion over all the earth. "Give me a fulcrum and I will move the earth" is a concept of the power of the crank in the mind of a man.

Parsons found the fulcrum in the centre of his turbine wheel, and applied energy direct upon its bladed periphery in the manner already described illustrative of Boyle's law. Thus, by a return to the elementary principle of the lever, he gave steam, as a vehicle of solar energy, a new lease of life, and began the rotary age.

It is not generally known and appreciated that the Watt engine was in a *cul-de-sac*, and that, as regards further development, at Spithead, extremes met when Parsons arrived, driven by his new form of propelling machinery. To a Barbarian or untutored eye, the grand fleet of capital ships would represent power and magnificence in perfection. Only the initiated knew that the torpedo boats destroyers, in their vain attempt to overtake the intrepid extremist, were labouring heavily against limits of stresses and strains, turning their engine-rooms into veritable war-zones when travelling at top speed. It was not an uncommon thing in those days, when safety-factors had to be sacrificed to speed, for crank-shafts to break, and cylinder-covers to blow off.

Naval readers will remember the "Bullfinch" class and the disasters associated therewith. These disasters were largely due to the limitations of the Watt engine. When the turbine supplanted this type it gave fifty per cent. increase of speed, while its mechanical factors of safety were extremely high.

As the science of thermodynamics advanced, the limitations of the Watt engine began to bring steam itself into discredit as the final medium of power production. Apparently nobody suspected the engine, though many rightly suspected the boiler, and since, in the heat-cycle, boiler and engine are one, the internal combustion principle (which eliminates the boiler) became the favourite idea for the next advance in thermal efficiency. But they forgot Parsons.

In 1881 it was prophesied, in a discussion on the Dowson gas producer, held by the Engineering Section of the British Association, meeting at York, that "by the year 1931 the

steam engine would be regarded merely as an interesting relic of a bye-gone age, having been superseded by the internal combustion engine." At that very moment Parsons was preparing himself to champion the properties of steam; and two years later his first steam turbine appeared! How splendidly he vindicated steam has already been recorded. In capital ships Parsons has not been so much as challenged. In power stations, his turbine was at first successfully challenged by the gas engine at Johannesburg, where it was adopted by the municipality for their plant. But the results were so deplorable that the turbine was not long in relegating that experiment to the scrap heap in the manner of Lots' road, Chelsea.

The pompous prophecy at York was falsified by the practical idealism of the man in whom nature had written "action" large and "speech" small. This is the vintage of an extremism which cannot be stopped. It bursts old bottles in the illustration of that fermenting law in which the enlargement of human frontiers is not a virtue but a necessity. Energy always flies to points. The Parsons brand of extremist is the leader who knows not only how to move forward with safety, but how to avoid the danger of not moving forward at all.

The Legion of Unemployed.

"Freedom Sunday" was celebrated at St. Peter's Church, Coventry, yesterday, when mass for 'the cause of social freedom' took place in the morning. This service was attended by about fifty members of the Legion of Unemployed. The preacher was the Rev. V. A. Demant (Research Secretary of the Christian Social Council). In the course of his sermon, the preacher made reference to the Legion of Unemployed, and said the Legion was of spiritual significance, and might become one of the greatest movements in the struggle for social and economic freedom.

"The Rev. Demant said that the dignity of man could only be realised through spiritual and economic freedom. The present world order treated men as though they were creatures, and was the most ingenious form of slavery ever known. The material needs of men could be produced in abundance, and by the use of man's scientific skill and achievements they could produce more than was required. But unless man produced or unless he could find employment he was penalised by the present system. If they could not devise a better system, then they were faced with conditions that kept men in bondage and spiritual slavery. Christ came to free man from sin and from misery and oppression. They had to realise that unless man's power from economic slavery, they were not using that power rightly. The present money system had to be examined, and they had to admit that money was nothing more than an idea. There were great God-given possibilities in the world to-day, and if they used them in the way that Christ meant, then man could be set free, and all forms of slavery abolished."—*Midland Daily Telegraph*, May 4.

Below is a copy of a letter dispatched by the Legion of Unemployed.

Head Office:
54, Poole Road,
Coventry.
May 8, 1931.

To the
Rt. Hon. Montagu Collet Norman, P.C., D.S.O.,
Thorpe Lodge,
Camden Hill,
London, W.8.

Sir,—On behalf of the organised unemployed of Coventry, I take the liberty of asking you to receive a deputation to put before you our desperate economic position and to submit a general outline of the financial remedy.

Realising, as we do, that our present state of economic degradation is due to the financial policy of the Banking System, and that no Government has any effective financial power, we address ourselves direct to you as the Governor of the Bank of England.

We believe that you fully sympathise with us in our present deplorable state of artificially imposed poverty, and hope that you may grant our request and allow a deputation of the Legion of Unemployed to wait upon you.

I am, Sir,

Yours faithfully,

GEORGE HICKLING,

Organiser,
The Legion of Unemployed.

The Talkies.

Anyone desirous of knowing how sound films are made, without diving too deeply into technicalities, can be recommended to get hold of this very readable book.* Particularly interesting is the author's description how the many technical problems created by the talkies, in particular the elimination of extraneous sound, have gradually been solved. Incidentally, one of these problems still awaits solution; no producer has yet succeeded in reproducing the sound of tearing paper with fidelity, the effect being as a rule that of tearing calico.

That distinguished pioneer of the screen, Cecil Hepworth, contributes an introduction in which he remarks that it is "sad to remember that the silent picture had an opportunity which it never really developed," although some hint of its potentialities was given by "Chang." This is not quite fair to the silent screen, which has to its credit such masterpieces as "The Nibelungen," "En Rade," "The Cabinet of Dr. Caligari," "Vaudeville," "The Street," "Greed," "The Birth of a Nation," "Turk-Sib," "Storm Over Asia," and "The Four Horsemen of the Apocalypse," to name only a few, as well as a large number of really outstanding productions, such as "Hindle Wakes," "The Constant Nymph," "The Last Command," "The Lost Patrol" and a whole host of American pictures made within the last two years before Mr. Al Jolson burst on the world. In fact, not only the masterpieces, but also a very large number of other silent pictures, achieved a far higher standard than has been set up by the vast majority of talkies, and many of these silent films will definitely continue to be regarded as classics even if the silent picture should entirely disappear from the screen.

But if Mr. Hepworth's intention was to express regret that the coming of the talkie barred the way to the fullest exploitation of the possibilities of the silent film, then I am inclined to agree with him, with the reservation that such pictures as "Turk-Sib" and "Storm Over Asia" have been made since Hollywood "went talkie."

DAVID OCKHAM.

* "The Talkies." By John Scotland. Crosby, Lockwood.

Reviews.

"An Essay on India." By Robert Byron. (Routledge. 5s. net.)

Mr. Byron makes no apology for writing a book on India whose contents cannot, by the longest stretch of politico-literary imagination, be described as new. He says that he never felt, nor wished to feel, any interest in India; and he went there primarily in order to reach Tibet, and secondly because Lord Beaverbrook gave him a ticket. To him the internal problem presented by our Asiatic dominion is the racial superiority of the English, to which he seemingly attributes all India's ills. The only hope for that country he sees in the assimilation of Western ideas to the furtherance, rather than the destruction of her spiritual gifts. Unfortunately, in the past Western ideas have usually implied the domination of Western finance, and this fact appears to have escaped Mr. Byron in what otherwise might have been a stimulating essay. Had he visited the native State of Kashmir, for instance, and interviewed the reigning Prince, he might have been able to throw some refreshing light upon this aspect of Indian affairs. As it is, however, it cannot be said that the author was by any means unobservant during his visit. Here is some of the dinner-table conversation of a native Prince whose guest he was. The speaker had a heavy moustache, tight white trousers, perfect manners, a fawn-coloured Rolls-Royce, and several mistresses.

"No, I missed Laura La Plante yesterday evening. My budget has kept me too busy. My Prime Minister's away, you see. . . . In my State I abolished slavery two years ago. I knew the Viceroy would be pleased. He sent me a telegram of congratulation. . . . At the moment I am on my way up to the Chamber in Delhi, where I shall move a resolution in favour of the abolition of slavery in all States. All the Princes will vote for it—you will see. But what will they do about it? That's what I want to know, ha! ha! It won't have any effect. But the Viceroy will be pleased. I am sure he will like it, and so I shall do it. . . . Shall we be going? I've got the seats. Buster Keaton is very funny, I always think."

So the prefects are allowed to amuse themselves while their financial advisers run the school. It is only when they propose to depart from official tradition by really doing something for the boys that they are hauled up before the Head and receive a well-merited reprimand. Meanwhile the Rothermere megaphone proclaims that we are being bullied out of India and being bluffed into leaving it to Hindu-Muslim

anarchy; and the Beaverbrook loud-speaker shouts that Gandhi has his eye on the different electoral districts of England. How long is this bludgeoning to continue? I wish Mr. Byron had told us.

E. M.

"Portrait of Oxford." By J. G. Sinclair. (Veracity Press.) This publication is stated to be on sale (apart from review copies) in a limited, numbered and signed edition only. Indeed, it seems difficult to imagine anyone, except perhaps an intimate friend of the author, desiring to purchase such a work, even if he has had sufficient endurance to read the whole of it. It is not too much to say that it constitutes a gross insult to the town and University of Oxford; and that it is utterly worthless either as a literary composition or as an attempted criticism of an existing institution. It would be too tedious to enumerate all the glaring exaggerations and misstatements with which Mr. Sinclair's book abounds. Two typical examples must suffice. Here is the first:—

"When the 'young gentlemen' are seized with the malady which seeks relief in the massed disorder known as a 'rag,' neither life nor property is safe. True to caste, they promptly respond to the bellwether, moving in yelling masses along the Cornmarket and the 'High,' drunk and ungovernable; while from their overhead rooms at college they have been known to hurl down lighted cigarettes and cigar ends, and even potfuls of wine, on the heads of passers-by."

Granted that youthful exuberance must occasionally find an outlet, especially in an institution known for its monastic virtues, Mr. Sinclair here seeks to create the entirely erroneous impression that the participants in a University or College "rag" are no better than hooligans. If he had taken the trouble to observe with any closeness one of these entertainments (the larger varieties of which are now becoming increasingly rare) he would have seen that the lives and property of strangers are perfectly safe. If any property suffers it is invariably the property of the College or University, and those responsible have to pay for it, a form of expenditure which they are usually well able to afford. Why the "Oxford manners" should have so disgusted Mr. Sinclair I am quite at a loss to explain, as I have never yet encountered a visitor to Oxford who has not carried away with him (or her) the pleasantest recollections of hospitable entertainment and good-will. I cannot refrain from citing one more example of Mr. Sinclair's style. Writing of the female members of the University he says:—

"The gay girls from Somerville and Lady Margaret Hall have an obsession for bicycles. They are constantly cycling in the city, revealing a wealth of leg and an absence of lingerie that are a constant joy to the numerous old satyrs in strange check suits who have retired to Oxford to ease their asthma. When they are not cycling, little groups of their number often congregate at public bars to conjure their cocktails with all that sang froid which characterises a jolly old bird of the Old School."

This is rubbish. The most casual and infrequent visitor to Oxford cannot help but observe that the "undergradettes" do not spend the bulk of their time cycling in such a way as to convey that sense of gratification to the older male inhabitants of the town which Mr. Sinclair salaciously suggests—in fact, they do not use bicycles for any other purpose than that of occasionally attending lectures. Furthermore, as one whose knowledge of the various Oxford taverns is fairly intimate, I can personally testify that not once during the whole period of my residence at Oxford did I see one of these young ladies inside a public bar, not to mention their congregating in the manner described by Mr. Sinclair. At the outset of this book the author says he prefers Wigan. Would to Heaven he had spent the week-end there which he appears to have spent in Oxford, and never produced this appalling dull, badly written, and palpably false diatribe upon an ancient and honourable seat of learning!

E. M.

"The Great Wave." By Mona Caird. (Wishart and Co. 7s. 6d.)

This is a novel which commands respect by the obvious sincerity and care which have gone to the making of it. The author has a reverence for intelligence. Her characters—many of whom are of the professional class—like to discuss ideas. The ideas are not profound or very well expressed—no one, indeed, could accuse Mrs. Caird's creations of wit—but they are honest attempts to look at the world with seeing eyes. It is possible that the author could have used the blue pencil with advantage: her book is very long and is based upon a plot which is quaintly melodramatic in character—German spies, haunted house on Hampstead Heath, a great invention by the hero which the spies want to get hold of. But if you are feeling tired, and have plenty of time to spare, you will doubtless forgive the plodding care with which the characters are observed even at their dullest moments. The down-trodden wife of a professor, Mrs. Windle, is in my view the best drawn character in the

tale. Mrs. Caird must forgive me, however, if I find her young men—even her hero—rather dreadful. She must put this criticism down to that absurd masculine belief that women do not understand men.

J. S.

"Post-Mortem." By Noel Coward. (Heinemann. 5s. 0d.)

Mr. Noel Coward can do well everything connected with the theatre. He can do a revue, compose the songs, play them and sing them. He can turn out an operette. He can write any number of plays, produce them, and act in them. In theatre technique it would be difficult to name his equal in England. "Post-Mortem," Mr. Coward in a war-play, is good theatre. In scene I. a dying man has been arguing that the war is not the meaningless waste and chaos it appears to be. He has been protesting to sceptics that there are occasional instants in which we see clearly. The next six scenes take place twelve years after the war. The dead man returns to London from the "hinterland," visits his mother, his sweetheart, now married and one of the modern cocktail crowd, his father, who is the same vulgar, falsifying Press-lord as ever, his sceptic friend of the trenches, who is about to commit suicide and is prosecuted for telling the truth about the war, and his other trench-companions, who have become just ordinary bourgeois Englishmen and resent being reminded of their trench-sentiments. The last scene is back in the dug-out, where the dying-man completes his dying.

In addition to being clever, Mr. Noel Coward has his ear to the ground. There are apparently two things which the public have very recently required: one, to wallow in their war-time emotions without wanting to do anything serious about them; and two, to forget their present plight and responsibilities by means of frivolity. Mr. Coward provides both combined into one experience. The play is both sentimental and cynical. It is a sentimental justification by Mr. Coward of himself to himself for his gospel of flippancy, as so often practised. Like practically all of Mr. Coward's work, however, it is not a justification of Mr. Coward. In return for the brains which Nature has bestowed on him, the future has a right to more from him. He has, up to now, elected himself to precisely the same kind of office as was filled by the war concert-parties. As they were there to help to make war bearable, he helps to make present civilisation bearable; and whatever arguments ignorance might find for seeing the war through, there are no arguments for preserving civilisation as it is. Mr. Coward has the mental and emotional equipment of a genius. He has used them to avoid a genius's responsibilities; that is, he has been merely the comedian of his own day. The critics, who were almost unanimous that only those devoid of imagination could fail to enjoy Mr. Coward's "Private Lives," did not promise to talk about it to their children.

P. B.

"The Pleasures of the Torture Chamber." By John Swain. (Noel Douglas. 7s. 6d.)

This appalling book gives a comprehensive account of the technique of torture as it has been used throughout history. It contains a preface defining the subject, and an introduction discussing the law of torture in England and the present use of capital punishment. These are followed by a series of chapters dealing with the different forms of torture, each with a number of complicated variations—the use of fire, flogging, the rack, hanging, and the strappado, the pillory, compression of the body, and breaking on the wheel. Then, after some miscellaneous tortments, there is a chapter devoted to the Holy Inquisition, and sections on collective tortures, self-inflicted tortments, massacres, and torture in modern times. A score of illustrations embellish the vivid descriptions, taken, some from victims who survived their punishments, and others from eye-witnesses of those that ended fatally. The book is marred by a certain facetiousness, and the section on modern torture is inadequate—has the author never heard of the "Glass House"? It may be urged that this book will have an appeal to the morbid-minded and should therefore never have been published. Nevertheless, it is likely to be of use to the serious student of sociology, containing as it does a mass of detailed information that hitherto, so far as the present reviewer is aware, has never been assembled and published in English.

I. O. E.

"I hear on excellent authority that one of the important subjects discussed between Mr. Montagu Norman and Mr. Hoover during their recent meetings at the White House was the sale of some of the British West Indies to the United States, as a further set-off against the War Debt. You remember about two years ago there was a great outcry owing to premature leakage, and that put a stop to the secret conversations then in progress between London and Washington. I hope this disclosure will not have a similar effect."—Sydney A. Moseley in *The Leader*, April 28.

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