

THE NEW AGE

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NOTES OF THE WEEK.

The National Bank of Australasia, in its monthly Bulletin for February, publishes a "general review" of the effects of the Australian Government's policy. This review is in the form of a technical examination of several aspects of financial policy which have been prominent in political controversy. Immediately below the title of the review, in small type enclosed within brackets, appears the word: "contributed"—from which, presumably, the reader is to gather that the analysis is offered without editorial responsibility for the arguments it contains. A reflective reader might reasonably raise his eyebrows at the spectacle of a bank—the supposed repository of the inmost and ultimate technical knowledge of financial policy and practice and the economic consequences thereof—being apparently unwilling or unable to formulate and argue the case for sound against unsound policy on its own responsibility. But there it is. The authorship is anonymous. It is a case of Mrs. Gamp quoting Mrs. Harris. The correspondent who sent us this Bulletin has endorsed on the article in question the word "bunk." Now "bunk" has two meanings: as a noun it signifies *nonsense*; as a verb it signifies *running away*. Combining the two significations we get the idea of *running away from nonsense*—an idea which at once supplies a clue to the Bank's method, i.e., that of keeping open a line of retreat from responsibility in case its contributor's arguments are effectively challenged. If Mrs. Harris is shown to be a chattering old fool, well Mrs. Gamp cannot help what Mrs. Harris says, can she? She, Mrs. Gamp, never said, nor never, oh no, meant you to understand that she agreed with Mrs. Harris! This is your banker everywhere. Whenever he does speak for himself he invariably (a) chooses a privileged occasion, where he cannot be cross-examined; (b) makes ambiguous declarations based on untested assumptions; and (c) draws general morals, and then retires from view, leaving his hearers to guess how he would have them translated into a practical policy.

"I know the way out," said Sir Robert Gibson before the Australian Commonwealth Senate; "but that is the Government's responsibility." Such is the master formula of the money monopolist everywhere. If ever there was a justification of the use of third-degree methods for obtaining information it would apply in this situation.

We do not propose to waste time in arguing the points raised in this article. Nor shall we pay the writer the compliment of quoting him. His article evokes the picture of a cross between a golf-course and rabbit-warren—a patch of polemical land which at first glance appears to be thickly studded with flags of direction; but when you approach any flag you find that it simply marks a bolt hole. The nearest that the serious student can come towards trapping a definite policy is to catch a glimpse of the tip of its tail disappearing down a hole. So we shall simply paraphrase the matter in the article which we propose to comment on.

"The writer commences with 'Reduction of Costs and Real Wages.' He says that if, when world prices outside Australia commenced to drop, all Australia's internal costs of production could have been reduced proportionately, the incomes of the Australian people would have bought as much as before. At least, nearly as much but not "quite" (author's emphasis). The reason why "not quite" is that although world-prices outside Australia have fallen, they have not fallen so fast as prices inside. What he means is that the prices of things that Australia needs to import have not fallen so fast as the prices of "primary products," i.e., the products that Australia has to sell. Therefore "some loss of real income was unavoidable." With this complacent comment he leaves the subject and passes on to something else. But we will continue it. Let us deal with Britain and Australia and assume that the transactions between them are in machinery produced by Britain and wheat grown in Australia. Before the world price-slump let us assume that the price of a machine was 10 and

that of a bushel of wheat 5; also that Britain took two bushels of wheat in exchange for the machine. Next let us assume that after the slump the price of the machine is 8 and that of the wheat 2. This means that Australia would have to part with 4 bushels instead of 2 to get the machine. But since the cheapness of the wheat is caused by a glut of wheat, the parting with 4 bushels need not necessarily cause hardship. Assume a doubled harvest, then the doubled export would not matter. But the snag is this: Britain does not want 4 bushels. The British workman's fodder-ration remains at 2 bushels as before (even if so much). Hence Australia cannot buy a machine at 8 and pay for it. She must therefore go without it or accept it in exchange for 2 bushels, thus paying 4 and owing the other 4.

If the British machine is kept out by a tariff or by absolute prohibition (a) the two bushels of wheat are not exported; (b) the would-be buyers of the machine have to look round for an Australian-made machine like it or some substitute for it, in which case the Australian sellers, protected by the tariff, put up the price against the buyers. These buyers would be, or would include, the wheatgrowers; and therefore the latter would be faced with a cessation of revenue from abroad and an increase of expenditure at home.

If the British machine enters Australia, so does Sir Otto Niemeyer, with a bill for 4 in his pocket. He arranges with the Australian trading banks that the Government shall be pressed to add the 4 to the amount of current taxation or subtract it from the people's incomes. He also collaborates with the banks in "hammering" the Australian exchange to the extent of, say, 25 per cent. (it is actually nearer 33 per cent.), which means that the next machine imported at the price of 8 will cost Australia 10, the margin of 2 going to the banks as a fine on Australia for being in debt. Australia cannot get out of debt except by exporting wheat to the value of the debt. The price of wheat being 2, there must now be 5 bushels of wheat exported to pay the British exporter's bill and the bankers' fine. But, once more, the maximum requirement by Britain for wheat is 2 bushels. Australia cannot put the price per bushel above 2, because that figure is fixed by the world-price of wheat. So even supposing that the wheat growers and their men work without profits or wages, the total money available to pay off the external debt will be 4, and no more. On the figures chosen this would wipe out the original balance of debt, which was 4, but only on condition that no further purchases of British machines had been made in the meantime. If there had, then Australian buyers of machines would be fleeced in prices as already described. This fleecing in itself would not be injurious to the Australian people as a whole; it would, so far, divert money from some Australian pockets into others, but would not rob the population collectively of money. But this is where the banks come into the picture once more. The Australian trading banks would either tap these excess profits directly by (a) speeding up the recall of outstanding loans from the profitable enterprises in question, or (b) by scaling down the issue of new loans to them and thus compelling them to plough their profits into the business instead of distributing them in higher dividends or wages: or they would tap the profits indirectly by forcing the Government to confiscate them by new taxation. The banks can do any one of these things, or all of them together.

Plenty more could be said in elaboration of this analysis, but what has been said is sufficient to

show that the suggestion of the writer of the article in question that Australia could have adjusted her costs to the world-slump without any worse consequence to the population than making them "not quite" so prosperous in terms of purchasing power, is a fantastic distortion of the truth. The bank-apologist's picture may show you a Devil; or it may show you a deep sea; but the reality consists of a Devil and a deep sea. So it is not surprising that the banker, who is responsible for this situation, declines to prescribe a definite means of escape. "That is the Government's responsibility"—as Sir Robert Gibson said. When people awaken to this truth, as they are now showing signs of doing, the situation will be reversed, and it will be the banker who is between the Devil and the deep sea."

We will alter our mind and quote one passage from the article, following it with two variants of our own composition. The three passages ought to be side by side so as to be compared point by point, but that is rather awkward in a two-column page. However, they can be cut out and mounted in that way if desired. (The headings are ours.)

If the Bondholder—

1. Interest naturally follows general tendencies more slowly,
2. owing to the terms of contractual obligations, rates of interest being arranged for fixed periods.
3. Interest differs from other factors in another way, however. Rates of interest are fixed to include payment not only for the use of capital but also for the risk of the loss of that capital.
4. In times like the present, the risk of loss becomes greater, and the owners of funds available for investment require greater compensation for possible losses.
5. If this cannot be obtained, they are inclined to allow their capital to remain idle rather than take uncovered risks.
6. Consequently, there is a tendency for rates to increase rather than decline as contracts fall due for renewal.
7. The failure of the community to adjust itself to the changed conditions, has accentuated its difficulties and increased the probability of loss of capital.
8. Thus the natural fall in interest rates, which would have occurred in other circumstances, through the normal distribution of funds in accordance with the demand in the various interest channels, was prevented.
9. Government loans have been floated at high rates of interest, and this has been another influence in keeping up the rates of interest generally.

Why Not The Wage-Earner?—

1. Wages naturally follow general tendencies more slowly,
2. owing to the terms of contractual obligations, rates of wages being open to alteration, and tenure of employment to cancellation, without notice.
3. Wages differ from other factors in another way, however. Rates of wages are fixed to include payment not only for the use of employed labour but also for the risk of the cessation of employment of that labour.
4. In times like the present, the risk of unemployment becomes greater, and the owners of labour available for hire require greater compensation for possible unemployment and loss of wages.
5. If this cannot be obtained, they are inclined to strike rather than take the uncovered risk of

living from hand to mouth with no margin for saving.

6. Consequently, there is a tendency for wages to increase rather than decline as contracts fall due for arbitration.

7. The failure of the community to adjust itself to the changed conditions has accentuated its difficulties and increased the probability of loss of employment and wages.

8. Thus the natural fall in wage-rates, which would have occurred in other circumstances, through the normal distribution of jobs in accordance with the demand for labour in the various manufacturing-channels, was prevented.

9. Government administration has been carried out on high rates of salaries and wages, and this has been another influence in keeping up the rates of wages generally.

And the Ordinary Investor?

1. Dividends naturally follow general tendencies more slowly,
2. owing to the terms of contractual obligations, rates of dividend being open to alteration, and declarations of dividend to suspension, without notice.
3. Dividends differ from other factors in another way, however. Rates of dividend are fixed to include payment not only for the use of invested money but also for the risk of the loss of that money through foreclosures by debenture-holders (chiefly bankers) and subsequent "reconstructions" and "rationalisations."
4. In times like the present, the risk of loss of invested money becomes greater, and ordinary investors require greater compensation for possible writings-down of their investments.
5. If this cannot be obtained, they are inclined to spend their money on themselves rather than take uncovered risks.
6. Consequently, there is a tendency for dividend-rates to increase rather than decline as annual dividends fall due for declaration.
7. The failure of the community to adjust itself to the changed conditions has accentuated its difficulties and increased the probability of loss of invested money.
8. Thus the natural fall in dividend-rates, which would have occurred in other circumstances, through the normal distribution of funds in accordance with the demand in the various investment channels, was prevented.
9. Government loans have been floated at high rates of interest, and this has been another influence in keeping up the rates of dividends generally.

Among the reports of the text of the recent Papal Encyclical, that published by the *Daily Telegraph* contains passages which do not appear in the others. We give the following extract.

"Referring to the menace of trusts and the accumulation of wealth and power, the Encyclical states, according to the British United Press:

"This power becomes despotic in the hands of those who, possessing money, dominate credit and control loans. Such people are in a sense distributors of the blood whereby the economic organism lives. They have the soul of economics in their hands, and no one can breathe without their permission.

"Free competition has destroyed itself, and an economic hegemony has taken the place of freedom in markets. Greed for power has succeeded to the desire for wealth, and the whole economy has thus become terribly hard, inexorable, and cruel.

"There is a double current issuing forth. On the one side is nationalism or economic imperialism, while on the other side, equally menacing, and execrable, is

banking internationalism or international imperialism in money, the progenitor of which is to be found where wealth is."

"Coming finally to the remedy, the Encyclical declares that it lies only in the return to evangelical doctrine embodying the precepts of Christ. Justice can remove evils, but charity unites the hearts and merges the wills of men. There is great need for soldiers of Christ to fight existing evils and substitute good in their place."

When we referred to this Encyclical on May 28 its text had not been made public, so we were without a clue to the principle on which the Pope founded his reprobation of "Socialism." It appears now that the Pope saw in the Socialist policy of levelling down social conditions a reflection of "international imperialism in money," and in Socialism itself an instrument of international financial repression. We are also constrained to revise our speculative reference to the possibility that the Pope's pronouncements might have the effect of mobilising Catholic opposition to Socialism in Australia. Although it is true that the "levelling" complex is prevalent among Australian Socialists, it is also true that they are nearer than any others to discovering and adopting an alternative policy—one which would not require the abolition of what the Pope described as "the differences in the social conditions of the human family which were wisely decreed by the Creator." The importance of the Encyclical is that it must necessarily engender in the minds of good Catholics a distrust of the pronouncements of international finance. It lays a moral foundation on which believers in a Social-Credit and the Just-Price economy can build up their case and turn this indefinite distrust of existing policy into definite trust in the new one.

The case against Lord Kysant and Mr. Harold Morland in connection with the Royal Mail Steam Packet Co. was opened on June 3 at Guildhall. The hearing will be resumed on June 10, and continued on June 12, 15 and 17. Mr. D. N. Pritt, for the prosecution, brought two charges: (a) that Lord Kysant, in the years 1926 and 1927, transferred money from the secret reserves of the Company into its Profit and Loss Account, thereby making it appear that a trading profit had been made in each of those years, whereas in fact a serious loss was sustained in both years; (b) that in June, 1928, he was responsible for the issue of a prospectus which he knew to be false in a material particular. In the course of dealing with the first charge Mr. Pritt said:

"On the face of the accounts the prosecution said that a profit of £355,325 was shown by the Royal Mail Steam Packet Company to have been made in 1926. The true position for that year was that there was an actual trading profit loss of £804,663. In 1927 an apparent trading profit of £489,880 was shown, the true figure being a loss of £630,369. The figures were therefore wrong by £1,159,988 in 1926 and by £1,120,249 in 1927."

Referring to the subject of reserves Mr. Pritt made it clear that he was not challenging the legitimacy of their accumulation. He said (*Times*, June 3, p. 4, col. 1):

"For the two years in question large hidden reserves, the existence of which was perfectly proper and legitimate, but which had never been declared to the shareholders, were passed off as profits so as to misrepresent to the shareholders that the company was in fact making trading profits."

Speaking of the prospectus, he said that it was dated June 29, 1928, and was for £2,000,000 Five per Cent. Debenture Stock:

"The prospectus stated that although the company had suffered from the depression affecting shipping, the ordinary accounts of the company would show that during the last ten years the average annual balance had been suffi-

cient to pay the interest on the present issue more than five times over.

"We propose to show," continued counsel, "that during the seven years preceding the history of the prospectus the company had made every year a heavy trading loss. That is the essence of this case."

On the question of Lord Kysant's alleged knowledge of the alleged facts, counsel said:

"During the years 1921 to 1927 Lord Kysant knew quite clearly that the company was losing money on its trading year by year and was living on its savings, and that nobody had any right to suggest, in June, 1928, that if the company went on as it was going before that in 1929, or any such year, it had any hope of meeting its liabilities on its Debenture stock.

"... Lord Kysant... was thoroughly aware of the true position that the company was trading at a loss. Week by week he knew the state of the bank balance. On January 1, 1928, the bank overdraft was £413,234. In the middle of May it was about £600,000."

Referring to Lord Kysant's fellow directors (who include the Duke of Abercorn and Lord St. Davids) Mr. Pritt said that, so far as he knew, they were ignorant of what was going on.

The evidence on which the prosecution propose to rely was obtained in the following circumstances. Certain subsidiary companies of the R.M.S.P. Co. had been helped by the Government during the period reviewed in the form of guarantees under the Trade Facilities Act. In 1929 the R.M.S.P. Co. had to ask for some of its obligations relating to loans to be extended and made the subject of a moratorium. The authorities who were administering the Trade Facilities Act decided to have an independent report on the company's affairs, and appointed Sir William McLintock to make the investigation. On receipt of his report the Crown thought proper to make the present charges.

This summary covers the essential elements of the proceedings for the first day. As the law does not allow us to make public comments that might prejudice the issue, and as the actual judgment that will be arrived at is the least important feature of the whole affair, from our point of view, we can afford to sit back in silence and watch the lawyers get on with their job. In any case, having regard to the unique intimacy of understanding between us and our readers, we can always nudge them between the lines if we think it necessary. The significance of this case is not a matter of: Have certain parties done certain things?—but: "Is it possible for such things to be done?—and is it possible that any parties can want to do them or can be constrained to do them? The answer is not in doubt: the mere fact that charges are brought against people that they have done them proves it. Besides that, everyone who has studied credit-policy has realised that it tends to produce conditions which make the doing of such things probable, if not inevitable. The bringing of charges of this kind has beneficial consequences: it helps the public towards a realisation of the fundamental deception inherent in the investment system as a whole, no matter how honestly the system be administered. As a matter of fact, the more honestly, or—as the bankers would say—"soundly," the system is conducted the greater the confiscation of the ordinary investors' savings. It is mathematically inevitable—and the question of illicit administration does not enter into it. We are reminded of the Rev. Dr. Campbell who came into prominence with his doctrine of "Divine Immanence" early in this century. He used to hold that in everything we did we were unwittingly trying to approach God—and he once shocked many Christians by declaring that a libertine's hunting after women was a form of, or a stage in, his search after God. Not everyone, even in these psycho-analytic times,

will stomach this idea; but its parallel on the financial plane is not at all hard to accept—for, as our readers know themselves—it is a simple matter to show that a financial libertine—that is, a person who takes liberties with the present orthodox, and unsound forms of accounting—is unwittingly searching for—or leading a search for—the new and true accounting prescribed in the Social Credit Proposals. The falsification of false figures symbolises a need for true figures, and may easily be a step in the process of finding them.

We have just received a cutting taken from the *Evening Standard* dated July 15, 1929, which deals with the slump in Royal Mail shares. It reported that there had been a fall of nearly £4,000,000 in their value during the previous year—or about one-quarter of the company's total capital of £15,000,000. It mentioned that Ordinary stock had fallen that day from 50 to 45. The 5 per cent. Debenture stock stood then at 81½. (We see in *The Times* of June 3 that it now stands at 20.) Recently, newspaper headlines were talking about 10s. being the price of £100 of Ordinary stock. At the date mentioned dealers were declining to buy Ordinary stock at more than 45 and declining to sell it at less than 55: and their margin in respect of the two Preference stocks was as high as 20 points—40 and 60 in one case and 50 and 70 in the other. This shows the degree of uncertainty then prevailing concerning the company's position. We have no comment to make at the moment. We record the items in case later on we find them useful, in conjunction with other facts, in writing a thesis entitled "Banks Know First—and Get Out First."

Mr. Snowden's so-called land-value tax has been actively discussed by Social-Credit advocates in London during the past few weeks. There is a consensus of opinion that no measure hitherto proposed by any Government has been open to attack from such a multitude of directions as is this one. A glance through the correspondence columns of *The Times* is sufficient to show that there is hardly any sort of person or any sort of activity which would not be adversely affected by its administration. At the one end it threatens to interfere with the remote village cricket-team, and at the other it is a "serious menace" (according to the F.B.I.) to "British Industry." *Punch* has pictured its character faithfully by showing a lady, about to plant a little rose-bush in her little garden, hesitating and calling to her husband, did he think that if she put it in it would put the land-tax up? The bearing of this fact is that every supporter of Social Credit, whatever his social status or business experience, will be able to turn his knowledge to account among his immediate friends, and need not move outside his own orbit of life to find opportunities for useful propaganda. Potentially, hostility to this measure is universal, and the object of propaganda should be to turn it into actuality, and so far as possible to give direction to the resistance which people will want to engage in.

The latter part of this objective will not be easy to accomplish. Already numerous groups, such as the Landowners' Association and other organisations, have been publishing their criticisms of the measure, and, for reasons already stated, the lines of criticism fall into so many categories that there is bound to be disunity regarding what to do about it. And the matter is further complicated, from our point of view, by reason of the fact that the executives of these protesting organisations are unlikely to understand what ought to be done, and more unlikely still to stand for it if they did understand. You

can be tolerably sure that in every influential organisation whose function it is to get its members a "fair deal" in respect of financial legislation, there will be one or more persons at the head of it who will have close affiliations with the financial interests represented by the City, even if they have not actually been appointed to their positions as "observers" by the City. Naturally, the unsophisticated members of such organisations will see nothing incongruous in such a situation unless they are made aware that the penalising of landowners is, and always has been, a deliberate policy of the City.

It is rarely that we allow ourselves to discuss and recommend lines of action when we cannot see any probability of their being carried out. But we cannot help remarking how frequently the opposition to proposed legislation takes a form which facilitates the passing of such legislation. It happens like this. You have, let us say, a proposal by a group "A," in office, to acquire power to use a particular weapon of extortion from groups "B," "C," and "D," in opposition. Now these groups will be playing their own game sensibly if they jointly challenge the principle underlying the proposal, or the fairness of its incidence. But if each goes on to supply information showing where and how the proposal would break down in practice, this is not opposition at all but expert advice. And the proof of this is provided by the fact that in nearly all cases the effect of this "opposition" is merely to modify the form of the legislation, not to prevent its enactment. If some fellow picked up a gun and proposed to shoot you, and you happened to know that there was something wrong with the gun and that it would burst in his face if he pulled the trigger, you would be a fool to tell him so. You would say: "Shoot and be damned!"—which he would be if he did.

Nearly every day somebody or other pops up in the newspapers with a new item of information about the consequences of the proposed land-tax—information which is carefully digested and filed in the bankers' intelligence-departments. Even if this information caused the withdrawal of the measure, it would facilitate the construction of another having the same object but reaching it by a less conspicuous route. It is quite on the cards that this land-tax proposal has been introduced not with the object of collecting a tax but of collecting the information which the threat of the tax has evoked. It may easily be a piece of financial feinting by which people are deceived into leaving unguarded the place where the bankers really mean to hit them. This theory is rendered the more credible when one reflects that the expropriation of landlords is for all practical purposes virtually complete already, having been accomplished by more subtle methods during the last few generations. One might well ask what necessity there is for the sudden adoption of the present cruder method of finishing off the job. Of course it pleases the Socialists, and not a few Radicals; but that would not rank as a "necessity" from the bankers' point of view. They are more likely to have encouraged Mr. Snowden with the view of embroiling the House of Lords with the House of Commons, in which event they would be able to rely on being left unnoticed in the ensuing general election, which would be all about the place of the Peers in the Constitution instead of about the place of the Bankers above the Constitution. We hope that the organisations who are resisting the land-tax will not try to get the House of Lords to resist the Bill, but will realise that to allow it to

go through unchecked will be the quickest constitutional method of killing it.

But killing a particular Act is not enough. What has to be done further is to expose the identity of the interests who are responsible for the prime initiation of such legislation, and call upon them to justify the principles on which they found their policy. These interests, not being subject to political control, are unaffected by changes of Government. Turning out the Labour Government for a Conservative Government only alters the form of legislation: it does not alter the underlying policy. The rights of ownership in land will be no better safeguarded under the Chancellorship of, say, Mr. Churchill than they are under that of Mr. Snowden. It is a mistake to suppose that the concept of the landowner as the obstacle to economic progress originated with Socialists. Henry George, the apostle of the Single Tax, who made this idea an active political issue, was a pure-bred Capitalist; and his crusade, which was launched back in the seventies of the last century, had the backing of one or two pure-bred Plutocrats. There was Big-Business money behind him, and for Big-Business objectives, and the only reason why the Single-Tax movement has lapsed to-day into the leadership of obscure persons on the left wing of politics is because Big-Business reached its objectives in another way. This so-called Red policy is an obsolete White policy. It would still be a White policy if landowners were rich enough to pay the whole tax-revenue of the Government (which was the "Single-Tax" idea), but since they are bled dry to produce this result—Free Trade and Succession Duties. Free Trade has largely substituted foreign for British land-products, and thus diverted revenue away from landowners. Succession Duties have made progressively increasing levies on the landowners' progressively decreasing revenues. These two items of fiscal policy are sufficient to assure the extinction of "landlordism" without the aid of any land-tax. So it will be nonsense for landlords, now that they are stirred up by this new attack, to focus their whole attention on it and to ignore the past policy of which this is the culminating stroke. Now that they are getting together to revolt against the "last straw" they can just as easily revolt against the whole load. The same money and energy as they are applying to the one purpose will suffice for both. To do so will, of course, impose on them the duty of basing their policy on a principle embracing wider interests than their own. Any Government has a stock answer to every group which seeks to escape a new impost or revoke an old one: it is this: "We have got to raise so much money to balance our Budget. Will you kindly tell us where to get it from if you don't pay." That's a settler every time, for all the rest of the community naturally take sides with the Government, fearing that they may have to pay somebody else's whack. But, as our readers know, there is now a perfectly good answer to fear. Government which will not cause anybody to fear. It is to assert the existence of a National Secret Reserve Fund—and to assert that it is large enough to serve Fund—and to assert that it is large enough to cover, not simply the amount now levied on this or that group, but the sums levied on all groups. Accompanying these assertions should be a formal application to the Government to appoint a tribunal of judges and technicians to hear evidence in proof of them.

Let us imagine ourselves in front of a hypothetical committee of common-sense and independent-minded men entrusted with the defence of all the interests threatened by the land-tax, and consider how they might react to this suggestion. They

would probably say that the proposed submission to this tribunal was preposterous nonsense, that it was impossible for such a "Fund" to exist, let alone be available for the purpose described. We should reply that inasmuch as the situation of the Exchequer on the one hand and the taxpayers on the other seemed, according to all the known evidence, to verge on the impossible, would it not be worth while for the submission to be investigated? Whether it could be sustained or not could be cleared up in a fraction of the time occupied by the Macmillan or any other of the hosts of Commissions, Courts, and Committees, which have been seeking a solution during the last ten years. On the point of antecedent credibility we should point out to the committee that when Mr. Justice Wright's judgment for the Bank of Portugal against Messrs. Waterlow and Sons was pronounced, we made the "preposterous assertion" that when a bank issues £1,000,000 worth of new currency to buy in and destroy an equivalent quantity of forged notes, the loss to that bank is no more than the cost of printing the notes; and that on appeal Lord Justice Scrutton endorsed that assertion. Might it not be, we should ask, that some other of our preposterous submissions might similarly be sustained when gone into by a competent tribunal? And supposing not? Well, that would be that; very little time would have been lost, and nobody would be any the worse off for the loss of it. Time's cheap enough when nobody can find any business to do. We should also point out that we were not asking the committee to endorse our claim. If we failed, it would be our reputation which would be compromised, not theirs. Their attitude need be only this: they would say to the Government: "We are advised that this proposed taxation is unnecessary, and our advisers say that they are prepared to prove this. We look to you to give them an opportunity of doing so before you proceed with your proposals." Would there be anything unreasonable or foolish in such an attitude? We think it would be regarded by the public as a plain duty arising out of the function of the committee.

Further, concerning the intrinsic credibility of the submission, we should advance this argument: namely, that since it is possible for the directorate of a company, in charge of the accounts of that company, to conceal the existence of fluid assets from the knowledge of its shareholders, why is it not possible for the controllers of British banking, in charge of the accounts of the nation, to conceal the existence of fluid assets from the knowledge of the public?

We see no ground on which such a committee should hesitate, once granted that it was independent enough not to listen to arguments about the "inadvisability in the public interest" of having such an inquiry—which, of course, is the obstacle. When Sir Patrick Hastings can say in Court, as he did say in the action of Mr. Leon Franklin against the Westminster Bank, that "even a suggestion that anybody had a claim against the Bank for £450,000,000 might have, and in fact had had, a prejudicial effect on the minds of people" of less than ordinary intelligence, what would not be done to deny publicity to our suggestion that the Bank was holding unrecorded assets of a multiple of that value belonging to the Crown? How the disclosure to the people of this country that they possess more money than they thought they did can produce a prejudicial effect on their minds we cannot fathom—unless it means that they would conceive a prejudice against the officious banking moralists who cannot trust us to behave unless we are kept hard up.

Drama.

The Heir: Kingsway.

The future projects for entertaining the members of the London Playgoers' League promise both interest and variety. "The Heir," by Prince Antoine Bibesco, as might have been expected from him, shocks and embarrasses part of the audience, and, certainly, for part of the time, keeps the others rippling and gurgling with delight. It compares satisfactorily with most plays now being given. Nevertheless, it ought to have been a very much better play, for the sake of a little extra labour. The old man who marries a young wife is drawn with a detail to be expected only from a descendant of Dürer. The Marquis of Sark marries for the good companionship of another clean and disinterested mind, and makes foolish aristocratic promises of discarnate love which cost him heavily to keep. Under the influence of his beloved, however, he has emerged from misanthropy and miserliness to humanity, superior to all conventional meanness and jealousy. Prince Bibesco converts a character which threatened at first to be instinctively repulsive into an almost lovable person with whom one would be glad to share, over a brandy, the final joke of the "heir." The latter part of the play contains several moving, one may even write touching, episodes, in which the audience experiences the whole mind of the old man, sympathetically, in defiance of all the conventional rules of the love-game.

All the other characters, however, are puppets serving one or other of two purposes; either to reflect the development of the old man, or to mark out the lines of the plot. The old man has to have both a nephew and a niece with expectations of his fortune merely so that they can keep the audience informed about the plot. Doctor Percin is a wax-figure with the same purpose. Not a fraction of the careful observation and thought which went into the figure of the old man was given to the making of his wife. In short the whole play, while it has dramatic situations, is conceived in the style of what may be called the "central character novel," and the plot develops in the style of the story. During the performance one finds oneself transposing the action into narrative. "Then, while the old man was out, his nephew rang up the young lady doctor, and . . ." so on. The stage-version would have been improved by a thorough weeding out of stock-phrases. Prince Bibesco's style is an alternation of clichés and brilliant wit such as is tolerable, though not pardonable, only from a Churchill or Birkenhead, certainly not from a dramatist. No drawing-room comedy may contain such phrases as "What I feel is . . ." unless they are being deliberately satirised. Finally, it looks as if Prince Bibesco changed his mind in the writing of the play, and confirmed the change while producing it. The early part is farce, calculated to evoke the guffaw; later it is sympathetic comedy.

Mr. Esmé Percy's performance as the old man was good enough to make one hope that he will be occupied in character acting for a long time. Mr. Percy kept his oratorical power well in hand, and produced, especially after the guffaw-season, a restrained, precise work of detailed draughtsmanship through which the character shone brilliantly. As the young lady doctor who subsequently married the old man Miss Gieta Keller did less than she should to fill the blanks left by the author, and at critical moments when she might have bridged a gap she failed to act at all. With only a puppet-part as the niece, Miss Agnes Lauchlan, in a style too reminiscent at times of Edith Evans, nevertheless made one ready to see more of her. As the nephew Mr. Robert

Donat exercised a good voice and diction, marred by an occasional mispronunciation, and a make-up which I did not understand. Was it intended to portray a sort of clean-shaven Mephistopheles who had to shave at least twice a day? Whether or not, as seen from the auditorium it produced an incongruous effect, and the sight spoiled the pleasure given by the sounds.

The Sign of the Seven Dials: Cambridge.

Many times I have pleaded for an English entertainment, descended from the music-hall, which should be for England what the Russian "Chauve Souris" and other Continental varieties are for their respective countries. "The Sign of the Seven Dials" is a good start. It is rare to see a revue—the "announcer," Mr. Ronald Frankau, most of whose patter I enjoyed, called it "nearly a revue"—which one can so confidently recommend to intelligent persons with a sense of humour. Let it be admitted that three or four of the items are weak and should be replaced, and go on to speak of the rest. There is nothing heavy, unless for some people it is the "Hampton Club," a short melo-drama adapted from Stevenson's novel, in which Seymour Hicks plays Henry Forbes. As the prying journalist who becomes the victim of the suicide club, Seymour Hicks demonstrates that his touch is as sure in pathos or blood-freezing as in comedy. Nevertheless, I prefer him in comedy, and not because it has come to be expected of him. Many actors can play tragedy at least as well as he; but in comedy he is unique. It is good to have met him earlier, therefore, in a Sacha Guitry piece, whose slightness is atoned for by its being off the beaten track—it is young Gobbo's inclination versus con- toonery—and by Seymour Hicks's unequalled treatment. When Seymour Hicks removes a lady's wrap, every person in the theatre receives a thrill. When he is alone on the stage the tritest words become wit. As with mixed *hors-d'œuvres*, it is probable that no two persons would agree as to which of the items stand out in merit. Apart from Seymour Hicks, and Mr. Clifford Pember's excellent and original variations on the theme of the Seven Dials for the stage settings, four at least of the items delighted me unusually. "A Perfectly Lovely Park" borrowed something from "The Parade of the Wooden Soldiers"; but for what it has in addition, of Englishness, of the music-hall, of the criticism of manners and institutions, it should become every bit as popular as "The Wooden Soldiers." The doll-like policeman and couples in the toy-town park are a delight. There is no *Boutique fantasque* about them; they are plain, practical English. "A Slight Tribute to the Stage Staff," which presents a locomotive entering and leaving a station, first out of sight and then in view of the audience, deservedly brought the house down. The audience were as happy children shouting to the playful uncle who does not have to bear with them all the time, "Do something else." Perhaps the outstanding item of all, however, was Miss Elizabeth Pollock's impersonation of stage-favourites. Frankly, I was the happy child, delighted to be taken out by the naughty young auntie. I feared when I had seen the first— and my fear was realised—that Miss Pollock, instead of going on impersonating until two in the morning, would stop at quarter-past eleven. I wanted to cry out for more and more. All that I have tried to put into words about the diction of certain actors with great reputations Miss Pollock expressed in deeds. This, I said to myself, is dramatic criticism by a method of re- presentation that is exact and fine and emphatic as a Beardsley line. Say not again, Will Dyson and Low. If you go to see her you will insert the name of Elizabeth Pollock.

PAUL BANKS.

Music.

Wireless and Opera.

A short broadcast song recital by Olszewska a week or so ago was interesting but hardly either musically or artistically a satisfying occasion, which was a depressing, indeed one might say a horrifying, demonstration of the vocal deterioration of a great artist and the inroads made by pernicious vocal habits. Olszewska is now unable to produce a steady even tone, maintain a homogeneous vocal quality, or carry a firm *cantilena* line through a phrase. The singing goes by a series of goops, scoops, whoops, splurges, belching *sforzandi*. The whole pervaded by an ubiquitous shakiness that is rapidly on the way to become a wobble. It is, indeed, infinitely shocking and deplorable that one should have to speak thus of a singer of Olszewska's rank, but her singing is now so bad that one can name quite half-a-dozen mediocre English contraltos who are far more agreeable to listen to. And, of course, with the technical blemishes in the singing, fine artistry of interpretation, phrasing, and so on, have become impossible, and as one would have expected, the singer now takes refuge in the usual devices of expression-mongering and emotion pumping to the ruination—as goes without saying—of old Italian vocal music such as Benedetto Marcello, it being now more or less impossible for this singer to produce any sort of tone without working herself up over it. Head resonance and "support," or *appoggio*, as the Italians call it, has practically disappeared, high notes are reached by a horrible forcing up of the thick chest tone, making any nuance or tone gradations (*filando la voce*) out of the question. Will this brilliant artist be guided, one wonders, and take herself in hand before it is too late, setting to work to extirpate the faults that have insinuated themselves into her singing. Others have done it. Jenny Lind, the classic instance, had, I believe, almost totally lost her voice as a result of bad method, but recovered it after careful work with Manuel Garcia.

The next interesting Wireless occasion was a two-piano recital by that remarkable pair of artists—real spiritual twins they are—Ethel Bartlett and Rae Robertson. The combination of two pianos with four hands is not one that I greatly care for, it has a horrible tendency (but less, it must be confessed, than the abominable piano duet) to sound like a barrel organ, but I must confess that this *Künstler-paar* (as the Germans would call them) have succeeded in raising the two-piano combination to unsuspected heights of excellence. Their marvellous unanimity of precision, the absolute oneness of mind controlling the technical and interpretative sides of their art—the fineness and subtlety of their interplay of pedalling, for instance, is an endless delight, and the variety of tone colour at their dual command is astonishing, while the springy elasticity and resilience of their rhythm, which sparkles like champagne, must be heard to be appreciated. I wish these two splendid artists would one day give us that magnificent and almost unknown work of Roger, "The Introduction Passacaglia and Fugue," which, as far as I know, has never been played here.

Fledermaus. Covent Garden.

I confess that had it not been for the superb spirit and entrain of the performance this work would have been beyond my endurance. Apart from one or two intrinsically delicious waltz themes which are treated, as far as I could see, with no imagination or resource, the score of this work struck me as wretchedly poverty-stricken, barren of invention and thoroughly amateurish and incompetent. As Mr. Newman was so justly pointing out last Sunday, incidentally I have myself for

years been drawing attention to the same thing—amateurishness of technique has nothing whatever to do with lack of academic training, for the most highly expert in the manipulation of academic tricks betray a profound amateurishness which comes to doing creation work of their own, and that a composer's technique is something which he forges and develops for himself, from within himself; and no routine work will ever give it him if he lacks it. Johann Strauss is a conspicuous example of this. He can invent charming ideas but cannot invent divers ways of handling them—just repeats them over and over again, hypnotised by them, as do later technical incompetents without a tittle of his invention even—two glaring examples in our time are Igor Stravinsky and Manuel de Falla. And one has only to compare this work with a genuine operatic masterpiece of comedy, the adorable and sparkling "Barber of Seville," of Rossini, to see how weak, how deficient, on every ground Fledermaus is. The performance was delightful. Lotte Lehmann showed that she possesses great powers as a comedy actress, and she was admirably partnered by Herr Willi Wörle as Eisenstein. Gabrielle Joachim must also be congratulated for her admirable male impersonation (if not for her singing, which was on nothing like the same level) of Orlovsky. Adele Kern, as the Stubemädchen (whose name in the opera escapes me) acted with plenty of piquant spirit and impertinence, but yet again her singing was not on a level with her acting. Walter's conducting, as so often of late, erred on the side of heaviness and massiveness, and the laborious portentousness of his treatment of the score, so far from concealing the bald and threadbare patches with which it teems, only expressed them the more cruelly, while he was often grossly inconsiderate to the singers, an unpleasant tendency that he has developed of late years. Why does he allow his tympanist and heavy brass players such outrageous head? These gentlemen, at every *tutti* passage, just take the bit between their teeth, dynamically speaking, banging and blaring away to the utter effacement of everything and everyone but their aggressive selves!

KAIKHOSRU SORABJI.

The Films.

The Man With the Movie Camera: Tatler.

This is a very joyous and high-spirited affair, partly in the manner of "Berlin," by a director who is a master of technique. Dziga Vertov has made a day in the life of Leningrad, but while Ruttmann's picture essayed no tricks—I am not using the word in any derogatory sense—"The Man With the Movie Camera" is full of them. And great fun they are. Buildings slide in half and the halves lean over towards each other; tramcars and crowds suddenly decide to move backward; railway trains travel at incredible speeds; slow-motion pictures alternate with complete cessation of motion; and there is some ingenious double photography. Some of the sequences are also characterised by a remarkable rhythm. I advise everyone interested in the possibilities of the screen to see this picture; it is probably not to everybody's taste, but should be seen for its cleverness and unusual quality.

My Wife's Family.

Only a British studio could possibly have made this picture, by which I mean that its brand of humour is essentially English. The humour is not very "refined," and people who do not care for the mother-in-law of the music halls and the comic papers, and are not amused by jokes about hen-pecked husbands, marital jealousy, and babies, will

get a pain in the neck from it. My critical sense compels me to say that "My Wife's Family" is a terribly bad film on extremely old-fashioned lines; candour also compels me to admit that I, in company with a large audience at the private showing last week, laughed considerably, for which a pleasant day at the Derby was perhaps partly responsible. I should draw attention to one merit; this film is really fast moving, an essential ingredient of farce, but one lacking in most English pictures. I do not commend "My Wife's Family" to highbrows, but I imagine that the theatres which book it will find it very good box-office stuff.

This Week's Films.

"Le Million," which was put on at the Phoenix for a fortnight and stayed there over six weeks, is now at the Rialto. Do not miss it. The Academy has a remarkable programme—Dovshenko's "Earth," Chaplin's "Champagne Charlie," and the first picture made by The Pickford. De Mille's "Madam Satan" is at the Stoll and Tussaud's, and "Cape Forlorn" and "Glamour," both British, are at the London Pavilion. "A Yankee at King Arthur's Court" is at the Regal. The particular star of the last picture is Will Rogers, the ci-devant cowboy. I am told "there is now on foot a serious movement, sponsored by the American motion-picture industry," to nominate Mr. Rogers for the Presidency of the United States. Why not have a lady President, and offer the job to The Garbo?

DAVID OCKHAM.

The Hon. Sir Charles Parsons.

By James Golder.

IX.—THE PHILOSOPHER.

In bringing this series of biographical chapters to a close it does not seem inappropriate to claim Parsons as a reproduction of those practical, mechanical, physical and chemical philosophers of bygone days whose humble and reverential researches into the wonderful works of nature have raised the credit of the age in which they lived. His versatility passed the bounds of the steam turbo-power plants associated with his name, and when the details come to be worked out, it will be found that the demands of his original genius improved the quality of every auxiliary to the art of power engineering.

With characteristic shallowness, one of the Newcastle evening papers on the night of his funeral alluded to him as a great captain of industry, and, less excusable, smoke room gossip referred to him as a great employer of labour exploiting the gifts and qualities of others. He was as remote from these types as a college don, or a doctor of divinity. Like Watt, he was a physical philosopher, as distinct from the classical and sophistical brand. Like Watt, he was also a worker. Unlike Watt, he was no talker. What Parsons had to say would not go into words. His works had to be seen, if his words were to be believed. The baby science of thermo-dynamics was inarticulate. The work of Parsons confirmed and illustrated its laws and a new language was constructed by his aid.

He ocularly demonstrated and practically proved that matter and energy are two different aspects of the same thing; and further, that a perfect conversion of the one into the other, by transformation or exchange, is that in which all the losses are accounted for and cannot be further reduced. This knowledge was a great gain, by no means confined to the profession of power engineering in its more limited application. It is destined to have a tremendous influence upon the future history of the race, and the fact that Parsons persisted against unbelievable odds places him among the world's greatest men.

However much he owed to his able collaborators—and he had plenty—it was his own inherent qualities which produced the first machine. And concerning this machine, the President of the Institute of Mechanical Engineers said in his annual address last year, "everything was wrong about it except the multiple stages, yet, Heaven be praised, Parsons had the courage to persist and to try again." His invention of the multiple compound steam turbine, to employ a biological term, has been called a sport.

The Democratic Dêbâcle.

How grandly does Democracy trample all our fine notions of government under her feet, never giving a thought to the pursuits which make a statesman, and promoting to honour anyone who professes to be the people's friend. These and other kindred characteristics are proper to Democracy, which is a charming form of government, full of variety and disorder, and dispensing a sort of equality to equals and unequals alike.—Plato. *The Republic*. Bk. VIII. 588 (Circa 410 B.C.).

High hopes were once formed of Democracy; but Democracy means simply the bludgeoning of the people by the people for the people. It has been found out.—Oscar Wilde. *The Soul of Man Under Socialism* (1895).

The history of civilisation presents a number of democratic experiments which have been conceived in a spirit of political idealism and executed in a spirit of political misunderstanding. Every demagogue has suffered from the delusion that once the people are in a position to exercise their birthright of ruling, nothing further remains to be done in order to produce a Government which will be the apotheosis of political equity and foresight. Thus Abraham Lincoln's rhetorical *bons mots* at Gettysburg to the effect "that Government of the people by the people for the people shall not perish from the earth" mean no more than the right of majorities to coerce minorities, quite apart from being a hypocritical utterance from a politician who was wont to speak of how the people were "fooled" by their real rulers. The Southern States realised this with grim dramatic irony after the Civil War, while in England the neat strictures of Oscar Wilde upon the democratic mode of Government were even quoted within the sacred precincts of Saint Stephen's. The enunciation of a few pious platitudes will no more turn a mass of comparatively illiterate voters into a political unity than (in the words of Bluntchli) it will turn a heap of sand into a statue. So-called democracies have, therefore, been always short-lived by reason of the sheer inability of their constituents to understand the art of ruling, and they have, in fact, if not in form, soon developed either into oligarchies or into dictatorships. The democratic framework of the Constitution is usually preserved for the sake of appearance long after the centre of political gravity has shifted.

In modern communities this development has been greatly simplified by the increasing number of complex features indicated by contemporary conditions of life. The transition involves the sale of the political birthright of the people for a mess of putrid economic potage; in other words, it means the sacrifice of the political liberty enjoyed by the individual citizen for a limited amount of economic security. Among the first to emphasise this awful truth was Mr. Hilaire Belloc in his essay *The Servile State* (1913) when he pointed out its brutal manifestation in recent collectivist legislation in this country. This legislation comprises (1) laws which compel the proletariat to work, e.g., minimum wage, compulsory arbitration; and (2) laws whose effect is to subordinate the different social groups to financial authorities, e.g., *National Health Insurance, Employers' Liability, Income Tax Acts, etc.* Administrative lawlessness and bureaucratic tyranny have been the inevitable results of such an enlightened legislative policy, and public attention has lately been drawn to these evils by Lord Chief Justice Hewart in *The New Despotism* (1929) in which the author demands an adequate safeguard of the Rule of Law as a necessary prelude to the restoration of the Sovereignty of Parliament. A further warning which deals with the social and economic as well as with the political and legal aspects of the problem has come from Mr. Alderton Pink, who has written a book exposing the limitations and dangers of the modern democratic system* in such a convincing manner as entitles the writer's statements and opinions to the most careful consideration from the reader. It is a work deserving of more publicity than what it has hitherto received.

Mr. Pink is quick to seize upon the watchword of modern democracy—"Progress"—whose misconception by the majority of the community he holds responsible for the present economic impasse.

"Progress towards what? The popular mind is not very clear on this point, but the current view, when it becomes articulate, would express itself, I suppose, something like this: Civilisation (by which is really meant the particular civilisation developed in Europe and America)

* "A Realist Looks at Democracy." By M. Alderton Pink. With a Preface by Aldous Huxley. Ernest Benn. 10s. 6d. net.

like it had been seen before, except 150 B.C. It was progress on a new tack. It broke away entirely from well-established lines. To quote Sir J. Alfred Ewing in his James Forrest Lecture, delivered at the Institute of Civil Engineers, 1928:—

"In the world of engineering the genius of Parsons opened up a new kingdom. He produced a prime mover wholly novel in action and design, capable of the higher efficiency, with a concentration and magnitude of effect never even imagined before."

Unlike many others of the world's benefactors Parsons had the satisfaction of seeing his work finished. The thermo-dynamic chart of Molliere sets out graphically the seven different values of the properties of steam. From this chart the work of a perfect prime mover can be computed. Parsons machines have reached the practical limits of perfection. If he had any other visions they were not in the direction of improving his prime mover. They were rather in the direction of improving its use.

One of the projects associated with his efforts, is the bore hole which will one day be made into the earth in order to extract and utilise its heat energy direct, without mining coal or oil and breaking them down in furnaces. Sir Charles had ideas, specifications, plans, and even prices for a hole thirty miles deep at which point it was calculated red hot rocks would be found as a ready source of heat flow which could be regulated for the purposes of mankind.

Surely humanity moves forward on the credit which such men as this create. The knowledge that in this country the steam engine was born, electricity discovered, and the evolutionary processes of nature charted, raises the credit of every citizen born or yet to be. It is inherent in the best blood of the race to love and cherish such great patrons as these, who make it the very business of their lives to render nature's abundant rude materials and forces available for the use and benefit of man.

Now what is the essential philosophy of power engineering as seen in Parsons and his turbine power plants?

The answer is fairly simple. It is the philosophy of the prime mover as distinct from the driven or process machine. In spite of great variety all mechanisms fall into two distinct domains between which a definite gulf is fixed in the nature of things. On the one hand the prime movers, on the other the driven machines. The former destroys static matter in its visible and concrete form, and reproduces it in its invisible abstract dynamic form—energy. The latter simply reverses the cycle. It absorbs or destroys the incoming energy, conveying or converting it either back to static matter again, or transforming it into another form of energy. It is a moral philosophy, because it is impossible to cheat without being found out. Nature is no respecter of wrong processes. She blesses only those which illustrate her laws, and she has no blind eyes, or deaf ears for errors either of commission or neglect.

Parsons had to keep close to nature in taming and training what is virtually an explosion, and if any reader walks into a modern power station let him reflect that he treads the crater of a volcano; or if he toasts his bread on an electric grid he does it with a slice off an earthquake.

This power philosophy is also a moral order. It contains the principle of priority. Being essentially dynamic and not static it is clear in its concept of direction. Parsons power plants are essentially unidirectional. The revolving matter, and the flowing energy, never change their direction. The energy always flows from the high to the low potential, and the direction of rotation is constant. Nature, existing for the excellent, awards the highest efficiency to such methods.

In my seven years of association with Sir Charles, I was one of his employees, but I never got so close to him to become anything like his valet. Consequently he was always as a hero to me. Whenever I met him in London it was as an "old-boy" meeting his schoolmaster. When I chatted with him in his Brook Street home not many months before he departed, I found him still full of eager interest but, to use his own word, tired.

We discussed a phrase in Sir James Ewing's lecture already alluded to, to which he took exception. Sir James said, "When the war came, I realised the moral failure of applied mechanics." Sir Charles' comment on this was "mis-applied mechanics."

However, at the end of my acquaintance with Sir Charles my experience was the same. His bodily presence was that of the retired admiral. Blue reefer suit. Fresh ruddy complexion. Dreamy blue eyes. He was quite unconscious of what he had done. His service, like the navies he transformed, was the service of the silent.

(Conclusion.)

is moving forward to an ultimate condition in which man will find greater happiness than at present."

The theory of progress was unknown to the ancient world. As an interpretation of history it was enunciated with Victorian optimism by Herbert Spencer, popularised with school-room exegesis by Mr. H. G. Wells, doubted with true philosophic caution by Lord Balfour, and overwhelmed with destructive pessimism by Herr Oswald Spengler. Mr. Pink agrees with the sceptical view that the progress-theory has no logical justification, and he condemns its employment for their own ends by contemporary democratic leaders.

"There is no harm in a belief in the forward movement of mankind; on the contrary, as an article of faith it may obviously be a valuable stimulus to human effort. Unfortunately, however, it has degenerated among the masses into the fanciful supposition that we live in a specially favoured age, in which humanity is being carried upward and onward by some mechanical force which acts independently of the human will; and this widespread notion of our civilisation as a sort of automatic machine is being fostered by the facile optimism of the Press and of many of our public leaders. . . . The possibility that mankind had taken a wrong turning is scarcely contemplated. Few people seem to be able to conceive the world of the future in any other terms than an intensification of present conditions. *Captains of industry, Ministers of Labour, and pundits of the Press, tell us, with the most determined optimism, that the remedy for over-population and over-production is more production: if the home consumers cannot buy the goods, give them higher wages so that they can; if foreigners are not in a position to take them, advance them credits so as to keep the wheels of commerce turning. If markets do not exist, they must be artificially created. Our mentors talk as though there were no end to the process. If the industrial machine still fails to produce profits and employment in sufficient quantity, it must be "rationalised."* By amalgamation of interests, by scientific management, and by colossal advertising campaigns we must ensure that whereas one person in seven owns a car this year, one person in six shall own one next year, and whereas *n* million gramophone records were sold in this country last year, *n + 1* million shall be sold this year. *Progress, it appears, leads in the direction of indefinite industrial expansion.* (My italics.)

The outward and visible sign of democracy is universal suffrage (male and female), and Mr. Pink cannot advert too frequently to the political consequences of the inflation of the franchise.

"In our social and economic life there are at work on millions of human beings fresh influences of incalculable extent and penetration. . . . Knowledge of mass psychology is being increasingly exploited for political and commercial purposes. Is there any limit to the process of drugging the public mind? Will this process sap the vitality of the democratic states as to bring about the breakdown of their political system? Or consider our economic structure. *Modern methods of mass-production provide an ever-growing number of cheap standardised articles which manufacturers must cajole the public into buying. Many of the articles are quite unnecessary, but they must be sold. The difficulty of finding markets for accumulations of manufactured goods is bound to lead to serious political complications.* The whole trend of present-day industrial organisation is towards a dangerous situation. The process of amalgamating large firms into huge combines manipulating an enormous capital, proceeds apace. The principal industries transcend national limits and have become powerful extra-political organisations. *In their world-wide competition for raw materials and markets, they may at any time provoke international conflicts.* (My italics.)

The bulwark which Mr. Pink postulates against the march of the present régime is education; but not the State-controlled education of the masses, either through secondary or public schools, which is as much calculated to foster an active intelligence in a child as the ukases of the Inland Revenue Department are to promote an understanding of the elementary principles of taxation. In any case, the process of "fooling" the masses is likely to continue indefinitely—that is, until a change in the present economic system brings enlightenment. Perhaps this is what Mr. Pink has in mind when he says:—

"The financial and industrial corporations find it even easier now than before the extensions of the franchise to exert the pressure necessary to gain their ends. The newspapers and other forms of propaganda provide them with weapons of the range needed to reach the swollen electorate. How money influences the political life of America

is notorious. . . . The methods of the English plutocracy are, perhaps, more discreet, but they are no less insidious. *While the voters are going through the motions of choosing whom they will for their representatives, the captains of industry and the international financiers are determining behind the scenes what persons shall be allowed to become candidates, and are organising attacks on public opinion to be carried out either by open assaults or by the subtler method of psychological penetration. and after the elections ministers and party leaders can be kept well in control by the wielders of economic power and the upholders of class privilege.*" (My italics.)

In submitting that education should be primarily concerned with the few, the writer reverts to the Platonic idea of "training a class of guardians who shall use their special ability to serve and preserve the State."

With regard to Mr. Pink's magnanimous views on education (a subject on which experience should have well qualified him to speak), it is not proposed to offer any criticism here, beyond saying that the production of an enlightened few cannot of itself be sufficient to forestall national ruin unless the economic system undergoes a *bouleversement* at the same time. When every citizen obtains the share of the national dividend to which he is entitled, the need for such devices as "improved salesmanship" and "advertisement campaigns," and the various forms of mechanised entertainment now employed to bemuse the masses and impair their powers of judgment will have disappeared. Then must the schoolmaster turn his talents to profit and those of his pupils by teaching not only the few but the many to utilise their leisure to the enrichment of their understanding and to the perfection of human endeavour. Only in such a society will it be possible for any democratic experiment to succeed, because it will unite the maximum of political liberty with the maximum of economic security.

ERIC MONTGOMERY.

Reviews.

Marriage, Freedom and Education. By H. Crichton-Miller, M.D. (Student Christian Press. 1s. net.)

Dr. Crichton-Miller, an analytical psychologist of wide experience, reminds us that the influence of the parents and the home is of much more importance in moulding the child's life than that of the school, and that its effects are transmitted to succeeding generations. If parents "suffer from these unformulated fears that arose in the nursery. . . . these fears will be transmitted to their children." "Marriage ill-effects, "no unwanted child is ever free." "Marriage exists primarily for the preservation of the race," not for the convenience of society, and really effective parenthood is only to be secured by monogamy. Monogamy is also the form of marriage which most seriously challenges "the liberty of the individual." There is an alarming excess of women over men, so that an appreciable proportion of females must go unmated. Yet to depart from the rule of monogamy in order to cater for them would certainly have a detrimental effect on the children. The author does not mention the effects of our present economic system in condemning potential parents of good quality to celibacy or artificial sterility, and in subjecting the child to the dire belief that it was one of the "unwanted" because it made an extra mouth to feed.

I. O. E.

Money Writes. By Upton Sinclair (T. Werner Laurie, 7s. 6d. net.)

Although the creative artist may claim to "look with scorn on all mass emotions," Mr. Sinclair contends, he is as much at the mercy of High Finance as the rest of us. Indeed, the stage of "mob emotions" is gone for ever; they are dictated by those who control money. Also the artist himself "is a creature with a stomach that must be filled and a skin that must be covered." "There are a dozen men commanding billion dollar resources, who make it in Wall Street offices and decide what American culture shall be, and create the propaganda machinery to make it exactly that," and, through the publishers of the great magazines, who "all come to the Wall Street banking houses when they need a few millions for their write-ups and mergers," they settle "which authors shall write and which shall sell insurance or dig the ground." In the light of his knowledge of invisible financial domination, Upton Sinclair analyses the work of modern American authors. Some succeed in glorifying the existing system, and have their books sell by millions, and hotel and real estate subdivisions named after their heroines; some fail to do so, and either fail to sell or, if they are great writers, are exiled or imprisoned. Some, refusing to "take sides," withdraw into an ivory tower of art," specialising on

technique and working only to please the rich; some advocate sex promiscuity, "ready to try anything once"; some purvey "delicately perfumed excrement"; some expand their complete psychic impotence to arrive at a decision in "Six novels, three volumes of short stories, a collection of poems, a note-book, and two autobiographies"; some, after a lifetime of effort, come to the "novel and striking doctrine, 'The wages of sin is death'"; and some devote themselves to cynically exposing the vagaries of the "Boobus Americanus." *Money Writes* is, first and foremost, a comprehensive guide to contemporary Transatlantic literature: but it is more than that, it is a penetrating analysis of the effects of the current economic system on the world's culture.

I. O. E.

Two Vagabonds in Spain. By Jan and Cora Gordon. (John Lane, The Bodley Head, Ltd. Week-End Library, 3s. 6d.)

Admirers of the work of Mr. and Mrs. Gordon, several of whose books have already been noticed in these columns, will be glad to see this cheap re-issue of one of their early travel-records. For some months they lived in small Spanish villages and provincial towns, fraternising with the people around and trying to enter into the realities of their lives. Artists and keen observers, they were interested, not in the past as preserved in museums and historic buildings, but in the living present. The essential healthiness of their outlook is shown by their notes on the economic life of agricultural Spain as compared with that of mechanised England. "We English have made a god of 'Work.' But, indeed, unnecessary work in mere foolishness. The great blessing to be sought for is leisure. . . . The Spaniard recognises leisure as a benefit. He has no false ideas about work." True, "his handicap is that he has no proper means of filling that leisure. . . . But do not lay up the Spaniard's desire for inactivity as a crime; it is a virtue ill employed." Indeed, "No dishonour attaches to a beggar in Spain. A Spaniard was horrified when Jan told him that begging was not permitted in England. 'What, then, can those do who are unable or unwilling to work?'—a question that two million English unemployed would be glad to answer.

I. O. E.

On the Shores of the Infinite. By G. Stuart. (Simpkin Marshall, 5s.)

Mrs. G. Stuart writes in a semi-biblical style of the wanderings of a "spirit"—whatever that may be—in the "great eternal space"—whatever that may mean. I could be extremely rude about this book, but this would mean quoting extracts from it, and such nonsense does not seem to me worth the space it would fill. The publishers say that this work is "essentially of Theosophical interest." If there are readers of this journal who are interested in the cult they will know better than an outsider whether Mrs. Stuart's writings are considered worth attention. To an ordinary mind her work seems more pernicious to good sense as it is more pretentious than the average female fiction about "luv."

J. S.

Caravanning and Camping. By A. H. M. Ward. Pitman's, 2s. 6d. net.)

This comprehensive guide to caravanning and the more ornate forms of camping contains critical notes on the principal camping districts of these islands, with hints on map-reading; comments on various modes of transport, the different types of caravans being described in full detail, from Bandalasta ware to two-burner stoves and electric lighting from the car; an excellent section on camping pages; a chapter on stores, catering, and cookery, and a few pages of first-aid notes. Appendices deal with "The law applying to caravans and trailers and some remarks on the legal aspect of camping," and give a list of steep hills, and there are tabulations of the details of various tents and luggage trailers. The book is a handy size, and is well produced.

I. O. E.

LETTERS TO THE EDITOR.

POLICY OF "THE AGE OF PLenty."
Sir,—I was rather surprised to find printed in the correspondence columns of your last week's issue a letter which was specifically addressed to me for publication in "The Age of Plenty." Had I refused publication of that letter I could quite understand its reproduction elsewhere. In publishing the article in question, I have not deviated from our editorial policy. This policy I have pursued since the publication of our first issue. Our pages have always been open to anyone to state a case against the

prevailing financial system. If Mr. McKenna or any left-wing banker would care to submit to me an article embodying his proposals for monetary reform I should be willing to print it in our pages.

I have my own views, and these I propound from time to time. My views are practically identical with those of Major C. H. Douglas.

Reverting to the offending article, I may say that in my opinion "Junius Junior" provides food for thought on the subject of the theory of value. The writer does not advocate a *Gold Basis* for the issue of financial credit. What he advocates is a *Gold Standard* for value measurements. We must have a unit of value, otherwise how is it possible to arrive at price expressed in terms of £ s. d.?

You say that the article in question "is of no educative value." I must respectfully differ. The writer proves that when the banker tells us that we are now on the *Gold Standard* we are being humbugged, and he shows that if the banking system were true to its assertion and issued all credit and currency on a strict gold basis, the system would go smash. Such information is educative and of great value to our propagandists in meeting the defenders of the existing system.

H. E. B. LUDLAM

(Editor, "Age of Plenty").

["What do they know of Money who only Money know?"—Ed.]

Sir,—With this I enclose a copy of a letter which has been sent to the Editor of "The Age of Plenty."

IAN ALASTAIR ROSS,

General Secretary, Kibbo Kift.

COPY.

To the Editor, "The Age of Plenty,"
12, Grantham-street, Coventry.

May 29, 1931.

Sir,—On behalf of the Kibbo Kift we wish to register the fact that we consider the article, "The London Fog," by Junius Junior, published in your No. 5 issue, can have but one effect: that of fogging the issue; and we entirely dissociate ourselves from the views expressed, which we look upon as fundamentally unsound.—Yours faithfully,

JOHN HARGRAVE,

Head Man.

RAYMOND J. DIXON,

Deputy Head Man.

BM/KIFT, London.

THE LEGION OF UNEMPLOYED.

The following letter has been received by the Legion from the Bank of England:—

Bank of England.

May 27, 1931.

Sir,—In the absence of the Deputy-Governor I am directed to acknowledge the receipt of your letter of May 22 and to say, in reply, that the Governor is not prepared to alter the decision which was conveyed to you in the final paragraph of the Deputy-Governor's letter of May 14.

I am,

Yours faithfully,

C. P. MAHON,

Comptroller.

GEORGE HICKLING, Esq.

The Legion has replied as under:—

Legion of Unemployed,

Head Office,

54, Poole Road,

Coventry, Warwick.

June 3, 1931.

To

C. P. Mahon, Esq.,

Comptroller,

The Bank of England.

Sir,

On behalf of the organised unemployed of Coventry, I thank you for your letter of May 27.

Realising that the Governor of the Bank of England is, perhaps, too busy to see a deputation of the Legion of Unemployed, will you please let us know who will see us?

I am, sir,

Yours faithfully,

G. HICKLING,

Organiser,

Legion of Unemployed.

The Bank has replied as under:—

Bank of England, June 5, 1931.

Sir,—I beg to acknowledge the receipt of your letter of June 3 in further reference to a deputation from the Legion of Unemployed. In reply I have to say that the Bank of

England are not prepared to receive the suggested deputa-
tion.—I am, yours faithfully,

C. P. MAHON, Comptroller.

George Hickling, Esq.

ANSWERS TO CORRESPONDENTS.

J. Evans.—We have sent your letter to David Ockham,
who will reply direct or through this journal.

J. C. Dawson.—We have sent your letter to Frances
Prewett, who will reply direct or through this journal.

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Address: 70, High Holborn, London, W.C.1.

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