

THE NEW AGE

INCORPORATING "CREDIT POWER."
A WEEKLY REVIEW OF POLITICS, LITERATURE AND ART

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NOTES OF THE WEEK.

According to a correspondent, Mr. W. J. Brown, in a recent speech, took a serious view of the recent canvassing of the idea of turning the Post Office over to private enterprise. He also suggested that the Civil Service had not even yet seen the end of salary-cutting. He is justified. Readers who bear in mind (a) the fact that power lies in the control of communications; (b) the rumour that Mr. Pierpont Morgan is exercising a mandate from the Cosmopolitan Credit Corporation to secure and coordinate communications on an international basis; (c) the fact that the Post Office is the centre of some of the most vital lines of communication; (d) the suspicion that our debt to the United States was secured on certain classes of British-owned property, or on the *understanding that they would be secured* as circumstances permitted; (e) the notorious financial axiom that the control of credit—involving in practice the close administrative supervision of monopolistic institutions turning over large quantities of credit—should be free from political interference; will realise that this proposed de-nationalisation of the Post Office has behind it considerations of much more weight than the prospect of internal economies in working and more efficient service which is dangled before the nose of the public. It is not for nothing that, for instance, the telephone service in America is applauded to the detriment of the service here—the American disregard, by the way, of the fact that the American Budget deficit is at present a multiple of our own.

Once the bankers come in behind a private monopoly they can use it to intercept revenue which otherwise would be available for the tax-collector. Hence they can sustain the proposition that the efficiency of the American telephone service is one cause of the American Government's insolvency. There is no limit to efficiency of service when an institution can rely on recovering the full cost of the service from the consumer. But since, as the Social-Credit analysis has revealed, the collective cost of all services exceeds the collective income of all the people who

render them, only some services can be efficient, and at the cost of inefficiency elsewhere, unless the banks lend new money to fill up the gap—which of course they will not do continuously, if at all, for it would lead to a continuously increasing Budget deficit.

A not inconsiderable proportion of the working population serve the Post Office. If Mr. Pierpont Morgan comes in and hangs his hat up as the agent of American mortgagees, it is reasonable to ask what the British public in general would be likely to get out of the savings effected at the expense of the "Post-Office public" in particular. It appears not to be generally known that people who do not work in the Post Office make a living by selling things to people who do. Only the night previously to the writing of these lines we witnessed the sale of a pound of rump steak to a postman. And he assured us that to his own personal knowledge one or two of his colleagues were in the habit of spending their wages similarly. Now, from the point of view of the butcher it would not be so bad (though it might be better) if the postman had his wages cut by the price of a pound of steak per week, and an equivalent sum deducted from the butcher's weekly telephone cost. But since telephone wage-costs are only a fraction of telephone charges, the butcher might easily find himself missing a sale worth a shilling to save expenses amounting to, say, twopence. Ah, but the other tenpence has gone into "efficiency." Ah, yes, efficiency—efficiency of what sort? Shall we suggest—the swift automatic transmission of automatic cancellations of orders? Butchers came into the world to sell steak; and the speeding up of the news that they can't isn't "efficiency." And even then there remains the mystery of the missing tenpence. Where does it go? Well, where all missing money goes—into the secret reserves of the British banking system, and by extension probably into those of the American banking system.

The most vital, in one sense, of all the lines of communication centred in the Post Office is its credit-services. It is a bank in respect of its functions as custodian of savings and issuer of credit-

tokens in the shape of postal-orders, money-orders and stamps. It is true that it does not enjoy the prerogatives of the joint stock banks, much less those of the Bank of England; but on the other hand it is, so to speak, adequately wired up to take all the current of credit-policy that might be diverted from these banks; and it is therefore an incipient menace to them. The fact that it creates credit in the name of the King is an inconvenient reminder to the bankers, who would like everyone to forget it, that their prerogatives properly belong to the Crown. The appearance of His Majesty's effigy on any costless credit-token of any kind must necessarily disturb them. Moreover, the fact that the Post-Office currency, so to call it, is not issued to the public except in exchange for bank currency or credit is of less importance than the fact that the public have been so familiarised with the Crown's tokens as to require very little inducement to adopt them as a substitute for, or contemporaneously with the bankers' tokens. It is indeed probable, in view of the Danat Bank failure and other bank crashes, that a wide section of the public are predisposed to feel more confidence in the name of the Post Office and the face of the King than in the name of the Bank of England and the face of Mr. Montagu Norman. For these and other reasons the Post Office, with its premises and equipment, is a potential alternative institution to the private credit-monopoly. The bankers' ornate and imposing premises are merely so many advertising signs—the essential work, complicated as it is by the existing financial policy, does not necessitate the use of more than a fraction of the expensive accommodation devoted to it; and granted a sound alteration in the policy, there is no reason why the humbler Post-Office branches should not adequately render all the banking services then required. Advocates of Social Credit will see that the institution which pays out old-age pensions is the obvious institution to pay out national dividends. And since practically every thoughtful citizen in the country is now joining some course or other of tuition in finance (and all courses must eventually lead to Douglas) it is needless to seek further for the reason why the bankers wish to relieve the Government of the responsibility of controlling and conducting the Post Office.

Such a dissociation would, however, raise points of constitutional principle. As is well known, the Postmaster General is the judicial arbiter on all grievances of customers of the Post Office. No Court of Law can interfere with his judgments. It is also common knowledge that the Judges are growing restive at what they call "administrative lawlessness" on the part of Government officials. If then, the Post Office were denationalised, is it conceivable for a moment that the Bench would tolerate the reversion of the Postmaster's judicial prerogative to a board of directors? But if not the new Corporation would have to submit to the jurisdiction of English Courts in respect of its policy and administration. Remembering that its policy might be inspired in the United States, and even carried out by directors nominated from Wall Street, this Corporation might well be brought up sharp against some legal decision entailing serious consequences to its shareholders. Doubtless the sponsors of the idea under discussion have foreseen such a contingency. To foresee is to forestall when possible; and it is an intriguing question whether the recent kite-flying suggestion about a wholesale retirement of British Judges was not a tentative forestalling manoeuvre. In America these difficulties do not arise, as was well summed up in the boast of the Yankee patriot who assured his English guest: "Yes, sir; we sure have the very best judges that dollars can buy." The omni-directional purchasing-power of the pound sterling is not quite so assured

—at least not yet. But what would assure it, or tend to do so, more quickly than anything else, would be the continuance of "economy" attacks on the remuneration of the Bench. Not only must the cheap judge be less than the most competent judge (unless it is proposed to conscript judges!), but he will be a comparatively young judge, whose legal training and outlook will have developed largely in the post-war financial atmosphere; the small size of his salary will in itself tend to make him amenable to bribery, and will certainly encourage suspicion among litigants that he takes bribes, whether he does or not. It may be said that you can get competence, dignity and integrity without money reward. So you can. But the point is not only that these qualities shall exist in our judges, but that their existence should be universally taken as a matter beyond question. In these days remuneration measures reputation; and the fact must be reckoned with until the better days come when *value* shall be finally dissociated from *price* in popular estimation.

The control of communications is involved in the tariff controversy due to open this week in Parliament. "Experience shows that the most indisputable effect of tariffs is their directional effect," says *The Times* (January 22). They divert trade from certain channels into certain other channels. Hence it is necessary to have the right administrative machinery to control the diversion. The policy of the controllers should be to promote inter-trading between Britain and (a) other countries in the Empire, and (b) countries "which custom or currency of factors are likely to make important customers of ours." Hence "preferences for Empire goods." The most important task inside the country is to prevent "abuses by the industries which benefit from tariffs." It should be possible, the writer thinks, to proceed on the model of the authority established under the Dyestuffs Act which "has successfully carried out its task of protecting a British industry without injuring the consumer." He proceeds to suggest that "a price index reflecting the figure at which an efficient firm could produce goods for the home market might help the authorities to decide without any suspicion of prejudice what tariff would enable such a firm to compete successfully."

The writer several times strikes the note of "impartiality" in tariff administration, a quality which in this context can only be expected in a body not engaged, or not ostensibly so, in manufacture and commerce—that is, the bankers. One intention of theirs emerges from the article, and is indicated in part by the foregoing extracts, namely that of widening the occasion of the fiscal change in order to widen their inquisitorial powers over the activities of business enterprises. In comment on this we must point out that their supposed impartiality is a myth, and that they have no more right to peep into the resources and accounts of capitalism than any capitalist into those of any other. British industries may be divided into two categories: those in private ownership and those in banking ownership. The term "nursed concerns" has become quite familiar to the public, and our readers will remember how certain instances we gave some time ago showing how certain suspected nurslings who were known to be technically inefficient had been tendering for contracts at prices which their efficient competitors could not touch. The only thing that could account for their ability to cut would be the financing of the loss by provisions of bank-credit—quite a conceivable policy if the businesses belong to banks. Naturally, if the banks can thus deposit their cuckoo's-egg nurslings into the nest of private enterprise they can, in due course, kill all competition and scoop the whole

trade. Conclusive evidence of their having done this sort of thing is, in the nature of the case, impossible to obtain; but in view of the large dimensions of concealed default in respect of debts to the banks (the Mayor of Newcastle said that practically all tramp tonnage had fallen into their hands) it is worth while bearing the suggestion in mind. If a bank A nurses a business B whose competitor is a business C, and in the course of a tariff-investigation C gives information to some authority, that information can be acquired by the Treasury. Since, on Mr. Montagu Norman's testimony, the difference between heads at the Treasury and the directorate of the Bank of England is the difference between Tweedledum and Tweedledee, C's secrets can be learned by the Bank of England. And since the Bank of England is the clearing house for information affecting banking interests, C's secrets can reach bank A. We do not want to inflate the suggestion, and are prepared to believe that the banks as a whole are after much higher game than that of swinging tariffs in favour of the enterprises they are nursing, but that is no reason why anybody who might suffer from such a thing if it happened should not receive the tip to make sure it doesn't if he can.

Moreover, the episode referred to took place long before there appeared to be any prospect of tariffs. At the present moment, if we are to regard *The Times's* article as a guide, the policy of the banks is to adjust tariffs to the needs of the most efficient enterprises operating in and for the home market. This would mean that if a foreign article were imported and sold at 1s. 3d., and in Britain firm D could make it to sell at 1s. 10d., firm E at 1s. 8d., and firm F at 1s. 6d., the duty would be fixed at, say, 4d., i.e., just sufficient to let F come in, but leaving D and E out in the cold. The latter would have to stand by and watch F and the foreigner handle the total trade between them until F, by degrees, had expanded his output sufficiently to supply the entire home market, which he could do by reason of the id. advantage conferred by the tariff. But in the meantime he would probably have ceased to need the advantage, for the larger his trade the less the cost of manufacture per article, even granted that he had to buy more plant. Now, commencement of the process, it would not matter much to them whether their nursing was the favoured F or the neglected D and E. If F, they would recover their old loans out of his new profits. If D and E, then F would be a prospective buyer of their plant and equipment, which even if less efficient technically than his own, would probably be so financially at the price that the banks were ready (and relieved!) to let it go for. Incidentally, of course, D and E with their employees would have gone on the dole together with a few of F's whom he could do without. But you can't solve financial problems without human casualties. Such things as these must be after a famous victory.

Generalising from this illustration the prospect of putting over such a scheme looks much less simple politically than it does technically. Partly more, under the stimulus of acquisitiveness, but much more, we are sure, under the inspiration of Lord Beaverbrook's moving orations, an electorate consisting of all sorts of personalities and all grades of efficiency, united to return a D-E-F National Government. It would be a trifle optimistic to assume that the D and E interests in the country—individual or corporate—are going to loaf about the doors of Carey Street and the Labour Exchanges watching the F interests marching in through the majestic portals of the Big Five with bulging pay-ming-in books. Accordingly Lord Beaverbrook's

Sunday Express of last Sunday, is reassuring the former that the general tariff foreshadowed in the Press is only the first instalment. The reassurance is badly needed, for there can be few industries whose competitive disability can be removed by a tariff of 10 per cent. The National Cabinet will have to bid up if they do not want the Invergordon and Dartmoor rules of debate to become fashionable at Westminster.

A New Note in Propaganda.

A few weeks ago Mr. Neville Chamberlain remarked in the House on the number of people who sent him letters, as Chancellor of the Exchequer, containing schemes for putting the economic system right. Almost invariably, he said, these letters were "accompanied by a pamphlet." The House laughed. Evidently a word "pamphlet" had a humorous connotation which the members instantly recognised. Mr. Chamberlain went on to say that when he handed these communications to the Treasury officials, they "sighed" over them—they had heard the old tale, oh, so many times before—the fancies, the visions and all the rest of it. The House said: "Hear, hear." This episode is a perfect picture of the types of mentality that get blown into Parliament by electoral squalls. Apparently all enthusiasm (which presumably inspires pamphlets) connotes ignorance: all non-official research is futile: all advice from amateurs is unsound: nobody knows anything about finance but those who are paid to know what they know about it. "Leave it to the experts." Watch them on the screen; and when you see them register resignation you may know that Wisdom has been affronted yet once more by "money-fanatics." Surely we all live in Wonderland when every new evidence of dissatisfaction with the results of the existing financial policy (which every fresh pamphlet really is) is interpreted as proof that the policy criticised is above criticism, and any alternative policy beneath criticism. The test of soundness in financial policy, said Mr. Churchill, is that its consequences are unpleasant. And so, when anyone seeks to ameliorate the condition of the victims, his very purpose is held to discredit his intelligence. The Treasury sighs.

How is any intelligent idea at all to break into this closed circuit of hypnotic political apathy? Well, the task looks insuperable; but there is that dynamic element in all men and women who have received the truth of Social Credit which manifests itself in rigidity of determination together with flexibility of initiative.

The second of these qualities is strikingly exemplified in the person of Mr. M. Gordon-Cumming* who has, in our estimation, opened up a new path into the forest of laziness and prejudice which has been baffling the Social Credit teacher. His work is something more than a pamphlet: it is (from the bankers' point of view) an insidious combination of literary style with diplomatic technique. It is a piece of sinuous persuasiveness which we are sure will do more to disrupt psychological resistance to Social Credit than any existing writing that we know of. In its expression it offers no affront to the most fastidious taste in literature, or the most fervid attachment to party or religious ideals.

The canons of sound advertising have been laid down as follows, and in this order: (1) Attract attention, (2) Arouse interest, (3) Inspire confidence. The earlier Social-Credit pamphleteers were obliged to observe all three; but as a result of the "bankers' crisis" the public no longer need to be attracted or interested—they are out on the search for informa-

* "Introduction to Social Credit." By M. Gordon-Cumming, B.Sc., M.Inst.P.I. Published by the author at East Claydon, Winslow, Bucks. 40 pp. Price, 1s. net.

tion. Mr. Gordon-Cumming has wisely adopted the third canon as the basis of his arguments. He has succeeded admirably, both in inspiring confidence in himself and in undermining confidence in the orthodoxy that he examines. The first passage in the Introduction is this:—

"Professionals always resent the interference of an amateur, but it is extraordinary how most of the great inventions and discoveries of science have been made by men not connected with the industry concerned.

"Perhaps it is not so extraordinary when a little thought is given to the matter, because professionals are busy getting on with their jobs and have not time to discover new principles or see how the frame of reference on which they are working may have shifted.

"Any one who has done any research knows that it cannot be hurried, and without a leisured class of some sort there is no doubt that arts and discoveries would be fewer."

In this way he leads up to introduction of his essential subject.

"It is for these reasons that it has fallen to an engineer, Major C. H. Douglas, to discover the error in the banking policy of Great Britain and the world, which is responsible for all the troubles and dangers of to-day."

Next follows the brilliant paradoxical pronouncement: "*Major Douglas's discovery is not difficult to see, once one has seen it*—". The inspiration in that short sentence can only be fully realised by those who can look back on the whole process of their own conversion—the many alternations between conviction and doubt before conviction came and stayed. The passage concludes:—

"—but the whole life of all of us, particularly of course of bankers, is arranged to regard money in a certain way, and there is some unlearning to be done before one can come to regard it differently."

Then follows a passage which we quote as typifying the author's literary tone:—

"That is why I have taken on myself to investigate the matter, and to try and show the outlines of money in such a way that people may be able to avoid those habits of thought which make the truth about the matter difficult to distinguish."

Next he denies the supposed difficulty of understanding about money—"only the experts can understand it"—and comments:—

"One sometimes wonders if these ideas have not been deliberately put about by these same 'experts' so as to exaggerate the importance of their position."

An amusingly sly dig at the "business man" who though he says that the money question is too difficult, "spends his life making profits from such transactions as":—

"Borrowing money from a New York banker for three months, say, at 5 per cent. per annum, paying a commission of 1-32 per cent. to a trust company who have custody of some security, a charge equivalent to 1/2 per cent. per annum. Then draw on London at 90 days' sight and a bill at 4.83%, the cable rate being 4.87%, the buyer of a three months' bill making the allowance for the English bill stamp of 1/2 per mille, and the London discount rate of 3 per cent. The drawer of the bill must also pay a commission of 3-16 per cent. to the London banker who accepts the draft; this is equivalent to another 1/2 per cent. in this way costs 1/2 per cent. for the trust company, 3 per cent. the London discount rate, about 1/2 per cent. for bill stamps, and 1/2 per cent. for London commission—altogether 4 1/2 per cent., and as the money is loaned at 5 per cent., there appears to be 1/2 per cent. profit to the drawer of the bill." . . . Perhaps there is! and the sort of man who knows may be excused from knowing that 80 per cent. of our money consists of entries in ledgers.

"Yet the main outline of money is not the least difficult, the principles are not numerous and the reasoning is simple. Well within the compass of any educated person."

The following supplies a good answer to those who

ask why Social Credit has not been "taken up" if it is sound:—

"A business man or politician believing himself quite incapable of understanding anything to do with money, hears of 'Social credit,' as these ideas are called, and immediately consults an 'expert.'

"The expert may have time to glance at one of the books, but as soon as he comes to any statement of fact outside his orbit of thought, he immediately murmurs something about 'money cranks' and the scheme is turned down. At any rate, this is my view."

The author's injunction at the end of his introduction is:—

"But beware of the flat opinion of 'experts.' The fact that they are 'experts' on one subject, in itself makes them unreliable on others, and very unreliable on new aspects of their own."

The expository matter comprises: "Evolution of Money," "Creation and Destruction of Money," "Inflation," "Purchasing Power," "The Remedy," "Inflation," and "Foreign Exchange." Here is a graphic description of money-destruction:—

"Suppose, as happened recently, I owed my bank a large sum. They rather suddenly demanded its return. What was I to do? I had to sell property. As others were doing the same, I did not get a very good price, but eventually I disposed of my goods and the buyers gave me their cheques. I took them to the bank and the amounts were duly deducted from their accounts. A pen was put through my deficit. My customers' money had been destroyed"

A little later he refers to misconceptions which arise through the teaching of algebra which deals with negative quantities—"most people fail to see that minus quantities are just as imaginary as their square roots."

"Whatever you write in your exercise books or ledgers it is impossible to have less than no bricks in a field. Nor can you have less than no money in a bank, even when your account appears considerably overdrawn."

The amount of money in the country is not a "measure of the wealth" of the country, but is a "reflection of the policy" of the Bank of England. Coming to the analysis of costing, here is one passage:—

"Meanwhile the money which was distributed during the building of the factory has wandered from hand to hand until somebody used it to repay an overdraft, and it got destroyed before buying any bread.

"Careful thought will show that an immense proportion of the payments risk destruction in this way."

The opening reference to "The Remedy" is the statement that Major Douglas's proposals involve placing "in the hands of the consumer the money that has been lost during the long process of manufacture."

The author's plan being to secure moral respect rather than intellectual conviction on behalf of Major Douglas's proposals, he has contented himself with making the technical conclusions of the A + B Theorem (but he does not mention any theorem) appear to be credible and worth going into. His chapter on Foreign Exchange is well worth attention, especially where he refers to the point (raised sometimes by readers) about foreigners "hammering the pound" if Britain were to adopt Social Credit.

The wisest student, and the most gifted exponent, of Social Credit will alike learn something from Mr. Gordon-Cumming's work. The latter especially will appreciate the fact that it contains so high a proportion of illuminating statements and comments that can be quoted outside their context. Perhaps the best general comment on its quality is to say that we can easily imagine a man of the type of the late Lord Balfour taking pleasure in reading it. So, if to-day the mentality at the apex of the social pyramid is penetrable at all by any reasoning at all, this book is undoubtedly the penetrating instrument. Every reader should try its point and temper.

The Press, Finance, and the Law.

It will be remembered that we devoted marked attention to Miss Louise Owen's action against Lord Rothermere, both when it took place, and again when she herself reviewed the case in her book, *Lord Northcliffe, The Facts*. Soon after the second occasion we were offered a review of her book by Mr. Eric Montgomery, who has had a legal training. We could not use it at the time, as it overlapped as regards essential matters, what we had just previously written. But last week we heard that Miss Owen, who had been selling her book in a shop in Fleet Street for several months, had ceased doing so because the book had "now effected its purpose." For this and other reasons which our readers will guess for themselves, we publish this week Mr. Montgomery's views on the matters raised in the trial. That the trial has not, as he says, been included in the Law Reports is, to our mind, of sinister significance.

News Notes.

"THE STRAIGHT-THINKER."—This is a new 8-page weekly, the first number being dated January 23. The price is 6d., and the publishers are The Hastings Press, 21, Fellows Road, N.W.3. The interest in this is for old readers of THE NEW AGE; for the editress is Beatrice Hastings, who was a prominent contributor to this journal in pre-War times. We cannot say that we are impressed by the contents of this publication. No public policy is announced; the only indication of what it may be is a suggestion of sympathy for Russian Communism. A disproportionate amount of space (over five columns) is devoted to the subject of the canonisation of Theresa Martin as "Saint Theresa of the Child Jesus" in the form of a review of a book called *The Story of a Soul*. The reviewer, "Heretic," takes no pains to hide his (or her) anti-Catholic sentiments. A page is given up to a "psychic diary" recounting several experiences of the anonymous author. It is a curious coincidence that Mrs. Hastings should bob up again after all these years just when S. G. H., who was a contemporary contributor with her to THE NEW AGE, emerges into publicity in *Everyman* after almost as long an absence. It is told in the Gospels how in the crisis of the Crucifixion the graves opened, and dead people walked about the streets. Do "come-backs" in the realm of ideas and policies portend another World Tragedy?

"A + B" AND "EVERYMAN."—S. G. H. has postponed the resumption of his examination of the A + B Theorem. "I had intended to follow up my last week's letter with more about the Douglas 'just price.' Patience! I'm coming to it." (January 28 issue.) The editor admits two good letters occupying two and a half columns, under the caption "Douglasites on the War Path," replying to S. G. H.'s first instalment.

THE "LOVE-STANDARD."—In a review of a book bearing the title *On Love*, by Mr. A. R. Orage, the reviewer, R. G., says: "It is many years since any writing of A. R. Orage appeared in London. . . . Now that he is back again perhaps we shall have more of the work of one of the acutest critics of literature and ablest expositors of social ideas of our time. . . . Every sentence is golden." A review of the book appears elsewhere in this issue of THE NEW AGE. Our interest in it was aroused by its authorship, but has not been sustained by its contents. This is no disparagement of the author, for the thesis presented by him is an adaptation from an original writing somewhere in Tibet. We think Mr. Orage should have written a preface. As he is an advocate of Major Douglas's proposals, and as such is aware of the nature of the psychological assistance—natural or induced—which are opposed to

them, he has missed an opportunity of making his book useful to other supporters of Social Credit by not showing the parallelism between this Eastern mystico-philosophical mode of analysing everything away to nothing and the equivalent procedure followed by exponents of high finance in the West. Sentence by sentence he could have paired this dissertation up with, let us say, any one of Dr. Nicholas Murray Butler's "Lotos" benedictions. This exposition of the love-standard is identical with what the bankers tell us about the gold standard. At the end of it all there is "nowt"—the "oozlem" analysis is resolved into the "oozlem" exit. It gives us the idea that a Tibetan monastery would make a first-rate St. Helena wherein to maroon our bankers after their Waterloo. The only snag is that the atmosphere would be too congenial: the punishment would be "much too good for them"—as the lady said of love among the poor.

THE WEST INDIES AND WAR DEBTS.—In case the suggestion recently canvassed in the United States that our war debt be cancelled in consideration of our handing over our West Indian possessions to America crops up again propagandists of Social Credit would do well to raise the question: What difference to the United-States taxpayer does it make whether the debt is remitted conditionally or unconditionally? Political sentiment over there is strongly adverse to unconditional cancellation because of the belief that if Britain does not pay up the bill will be levied in taxes on Americans. But how will the acquisition of this new territory put money in the American Government's stocking? Its revenue-earning capacity is a minus quantity—it is a commercial liability and not an asset, owing to the nature of its surplus production and the state of the markets elsewhere. Its strategic value is worth money on a long-distance view, but money's-worth does not itself create money. And since American bond-holders are not going to accept allotments of shares in naval bases in lieu of getting their dollars back, who is going to put up the dollars? Incidentally, of course, this query applies in principle to all cases of debt-cancellation. The difficulty of giving an answer can be evaded in this country, because we have adjusted our claims to counterbalance what we owe, and no more. Nevertheless, the question still remains to be answered: At whose expense did we write down our claims?

"UNPRODUCTIVE INDEBTEDNESS."—This term, which is going to be popularised, figures in a leading article on "The Bankers' Speeches" in *The Times* of January 30. It is attributed to Mr. Beckett, who singled out as the chief factor in the causes of the breakdown of the gold standard "the vast complex of unproductive inter-governmental indebtedness arising out of the War." (This is *The Times's* paraphrase of what he said.) The quickest way to expose this nonsense is to ask bankers like Mr. Beckett to suppose that all Governmental war expenditure had been spent on productive assets, and on this hypothesis to explain how the utilisation of those assets would have mitigated the situation. Is a Government debt resting on munitions which have been destroyed any more burdensome than one resting on capital assets which no-one can use? Was not the late Lord Melchett's rationalisation policy one of scrapping factories and plant, thereby diminishing the very kind of resources which Mr. Beckett implies were necessary to avert the crisis? Again, there is common agreement among bankers that what has let us down has been the recent steep fall in world-prices. Is it contended that if war-expenditure had been invested in such manner as to increase the world's productive capacity by, say, twenty to thirty per cent. above what it actually was in 1918, this capacity could have been utilised to retard the fall in prices? If so, how?

The Economic Mordant.

In the *Belfast Morning News* of January 20 Major Douglas's last two books were reviewed by Miss Mary Alexander, who will be remembered by some of our readers as one-time secretary of the Social Credit Movement, or rather, of a representative group who tried to find a generally-acceptable scheme for organising the Movement on a national basis, and eventually failed. Perhaps we ought to add that the failure was on a question of principle—whether to centralise the Movement and widen it to include all credit-reformers, or whether to keep it a purely Social-Credit body and leave its activities to the private initiative of individuals and local groups. Miss Alexander was keen on the centralised "all-in" plan. Her idea was, or at any rate involved, the formulation of a doctrinal basis of propaganda which all schools of reformers would accept, and which would allow each the opportunity to contribute its main ideas to a common campaign of publicity.

In her present review she gives evidence of her continued belief in this policy. She concludes her article, for example, with the words: "The A + B Theorem may or may not prove a valuable contribution, but it is not the whole of wisdom." Previously she had observed that it was in respect of this Theorem, and this Theorem alone, that Major Douglas's contribution to the wisdom "showed originality." As to the rest of the wisdom, she says, it was an inheritance of speculations and discoveries dating from Aristotle, through Bishop Berkeley, the Birmingham Economists (1844), M'Leod, Arthur Kitson, Professor Soddy, and P. W. Martin. The effect of what she says is to suggest that Major Douglas's essential contribution is not sufficiently credible, or if credible, not sufficiently important, to justify the emphasis which the Social-Credit school place upon it in their propaganda. If only, she seems to be saying, they would cut out or tone down this controversial item in their propaganda, the way would be clear for a political alliance of all progressive credit-reformers for a national campaign. We haven't the slightest doubt of it. Only a day or so previously to the writing of this article we were allowed the sight of a letter from a well-known banker-economist to one of our supporters in which the former said that he was afraid he couldn't give his attention to Major Douglas's ideas until "Major Douglas and Professor Soddy" had shown where two economists (whom he named) were wrong. It is quite evident that the disproof would have to leave out arguments based on the A + B Theorem to get Professor Soddy's signature, while it would have to include them to get Major Douglas's. This episode indicates the snag in the idea that getting together means getting ahead.

While we do not wish to detract from the value of what we may call pre-Douglas research we hold that its value remained only potential until Douglas came and showed how to actualise it. To use terms familiar in dye-making, the pre-Douglas research was directed to producing a colour, but the Douglas research discovered the "mordant" which fixes the colour. While Miss Alexander may justly say to Douglas: "You did not find out how to produce this admired crimson shade," he may justly answer: "No, but I have found out how to make it fadeless." It is said that a thing of beauty is a joy for ever; but not unless it lasts for ever—except, of course, that it is possible to enjoy memories of departed beauty, a dubious benefit in an economic system, though the bankers would like to make us content with it! The prime consideration in regard to the economic fabric is not what particular colour you dye it, but whether it will stand washing. So, in a purely literal sense we are entitled to say that all pre-

Douglas schemes, as such—apart from the theoretical truths behind them—have been "wash-outs": they would not stand up to the test of water or sunshine. It is precisely because Douglas has solved this problem of exposure that the researches of his precursors into structure begin to have any practical significance. To-day the choice of colour is thrown open to the culture and conscience of humanity because Douglas has discovered the secret of colour-fixation. Any economic objective which is ethically desirable is now technically attainable.

A particularly good example of a mordant is Chloride of Tin. It is used by glass-silverers in order to get the film of silver deposited from the silver-solution to hold on to the glass. The curious thing about it is that though it has to be floated over the glass (in an aqueous solution) it has to be thoroughly washed off so that not a vestige of it remains when the silvering-solution is poured on. It is not a cleanser; for the glass has to be spotlessly and greaselessly clean beforehand. What it does is anyone's guess. Only the silver itself appears to realise and appreciate the difference. When bankers talk about the "human factor" as an insurmountable obstacle to every desirable economic reform, they are saying much the same thing as that colours must fade and mirrors won't last. Once upon a time that was true. To-day we can, when we will, adopt a credit-technique that will "stand exposure to the human element."

Notice.

All communications requiring the Editor's attention should be addressed directly to him as follows:

Mr. Arthur Brenton,
20, Rectory Road,
Barnes, S.W.13.

NEW SOCIAL CREDIT GROUP.

It has been decided to form a Douglas Social Credit Group in Falkirk. Interested readers in the neighbourhood are invited to communicate with Mr. A. F. Stewart, of 13, Carronside Street, Falkirk. Those who have already been approached will be advised as to the date and place of the first meeting.

NOTICE OF MEETINGS.

- Douglas Credit Association: Glasgow Movement.*
Syllabus of five lectures on the Douglas Credit Proposals to be given in the Christian Institute, Bothwell Street, Glasgow, on Tuesday evenings at 7.45 p.m.
3. Feb. 9 "Modern Banking and Finance."
 4. Feb. 16 "Financing Consumption."
- All interested invited. Questions. Collections.

"The New Despotism."

We hear that Messrs. W. H. Smith and Son are selling off this important book of Lord Hewart's at 2s. 6d. per copy, or 3s. post free. It was published at 21s. Our informant who writes from the country gives no particulars of where orders should be sent, so we suggest that they be addressed to the shop in Kingsway, W.C.2.

Society of Friends.

At the Yearly Meeting of this Society there will be a Conference on "Unemployment—A Catastrophe or an Opportunity," at Friends' Meeting House, Euston Road, N.W.1, from February 5 to 8 inclusive. It is open only to Members of the Society of Friends. We announce it here because the Friends are foremost in recognising the nature of the economic framework in which the moral and spiritual problems of life have now to be solved. This is indicated by "Minute 21, Yearly Meeting, 1931," which says: "It is natural that the demand for human labour should decrease in proportion to the increase of mechanical efficiency. But a reduction in the number of hours required to be worked in the production of necessities is not necessarily an evil. It rests with us who believe in a divinely designed scheme of human life, so to arrange the distribution of the product of labour and machinery that added leisure may be a blessing instead of a curse."

Current Sociology.

The speeches of the various chairmen of the big banks having now all been published, we have received counsel and guidance to cover another year. The custodians of the only prosperous industry—without dwelling too much on the fact that banking is living on reserves—have spoken with authority as to the causes of "world-chaos," and almost with unanimity as to the remedy. The single-mindedness of both bankers and commentators on the causes is nothing less than miraculous. The slump in world-trade, if unanimity be proof, is due to the creation of international war debts, the requisite transfers in adjustment of the balances of trade payments between countries. The gold standard, on the same evidence, is a perfectly adequate and efficient monetary basis which broke down only because creditor nations refused to lend back their receipts to their debtors. The significant feature of these explanations of the world's distresses is not their naïveté, but the fact that no fault whatever is attributed to the financial system in a technical sense; all the trouble is alleged to be due to faults of conduct. It is the human-being who is invariably to blame. The Frenchman is blamed for wanting security, the American for taking the payments his Government was offered, the Englishman for wanting to live; and all are in the wrong for not readily sacrificing these desires to preserve the financial system.

The opening of one paragraph in the speech of the Hon. Rupert E. Beckett, Chairman of the Westminster Bank, must have caused much rubbing of eyes.

"How has the world got into the position in which universal plenty co-exists with general distress?" Let a banker ask that question, let him ask, besides, how the world is to get out of such a position, and the necessary steps must surely follow to dismantle that obvious universal plenty. The Chairmen of the Westminster Bank is one of the personages whose self-interrogation on such matters is welcome. In his view, too, the explanation has, in the light of years of painful experience, been made clear.

"The war . . . impoverished the world . . . The hysteria . . . succeeding years . . . Governments and business communities . . . fool's paradise."

It is all very complicated. According to the Hon. Rupert E. Beckett, universal plenty co-exists with general poverty because the world, having impoverished itself, indulged in an orgy of riotous living. It will be clear to all persons endowed with the scientific mind that universal plenty necessarily follows from such a course; and, further, that universal plenty having followed, and having come about in company with general poverty, human conduct was wrong. Fortunately, to the super-mind of a bank-chairman, what ought to have been done is also clear. An increased degree of general poverty should have been accepted voluntarily, by all the peoples of the world. They should have become "realists," "worked harder," and "lived harder." As recent bank-policy and legislation indicate, the bankers have not given up hope; and when the results of their remedy become evident, the bank-chairmen will no doubt prescribe another and bigger bottle of the same mixture.

All the bank-chairmen have supported, with varying explicitness, the cancellation of international war-debts, and all on the ground that it is impracticable to transfer from country to country vast sums which have none but a financial basis. Yet not one of them has apparently realised that exactly the same difficulty applies to internal war debts, on the top of which international debts would

have to be added if "cancelled." Germany's reparations and war-debt payments dislocate world-trade, it is agreed, because Germany takes no goods in return for them. She is merely a lost market. In Social Credit phraseology, such transfers destroy the payer's purchasing-power, especially when the gold used for payment is de-monetised on receipt. But internal war-debt payments also dislocate a market, the more important home-market. They are extorted from tax-payers who would have used them for the consumption of commodities, and largely paid to insurance companies and bankers. Thereupon the money transferred cannot function as purchasing-power unless it first starts another cycle of production, and, incidentally, causes another set of costs to be charged against consumers as a whole. In short, every economic and financial objection, as distinct from moral objections, to the payment of external debts, applies to the payment of internal debts. That does not mean, however, that they are unpayable. They cannot be paid within the framework of the existing financial system. Neither the debtor's willingness nor his ability to pay has been at fault. His efforts, in face of the obstacles set up by the financial system, have been magnificent if foolish. The debtors can pay, but only if the whole financial scheme is inverted; if, that is, real credit becomes the basis of financial credit, and universal plenty is made available for consumers by the direct issue of credit from the community's unused source. The true starting-point for discussion of poverty accompanied by plenty is not international; it is not the banking-system; it is not even industry. It is the individual person, for whom the whole economic system exists in theory, but whom it totally ignores in practice. Start with the problem of how to enable the individual to consume, and all the rest follows, real cost, consumer-credit, and price regulation.

An appropriate time has been chosen for the Disarmament Conference, but not the right place. It should be held in Nanking or Shanghai. There the minds of the participants would surely become a little more realistic. Until the benefits of price regulation and consumer-credit have been exemplified in one of the countries of first-class prestige, the idea of disarmament is farcical and sentimental, for it is contrary to the immediate future necessities of every nation as far as they can be foreseen. Armaments are so essential to security within a system which requires exports without imports that every limitation of expenditure results only in intensification of research to get the most out of it. Germany, disarmed, invented the finest aerial armaments. She followed with the pocket-battleship, and has now, it is reported, invented a bullet which, in speed of flight, accuracy, and penetrative power, surpasses all previous conceptions of possibilities in those fields. Disarmament can lead only to precisely that kind of progress in armament until communities organise themselves for consumption as they have done for production. Tariffs may protect a home-market, but only armies, navies, and airships can protect an imperial market.

The unfounded news that China had declared war on Japan will some day be explained. News of such importance ought not easily to be falsified by accident. It seems quite clear that Japan is aiming, by methods as diplomatic and tactical as military, at the hegemony of the Pacific countries. If the China does declare war the world is once more in the melting-pot. America will have a chance to use the navy she has built since the war, and to justify those who demanded it. Both Russia and Great Britain would no doubt prefer neutrality; but both are in difficult positions. Between Japan and Russia there is apparently some agreement as to

how far Japan may go in China without interference, and Russia has enough on her hands with her capitalisation plan not to want herself involved. Nevertheless, war between China's millions of people and Japan's machinery might drag Russia in spite of herself, and China might well become the beginnings of Bolshevised Asia, and of a world of machine-worshippers. Great Britain's alliance with Japan would come into conflict with the English-speaking world-financiers and the dominions; hence neutrality would entail a great advance of American propaganda in the colonies. China is a long way off; but it threatens to become the focus of world-politics.

PAUL BANKS.

The Films.

Over the Hill.
Un Soir de Raffle.
The Optimist.
Condemned to Death.

American and Continental film producers are no longer concentrating exclusively on the 100 per cent. dialogue picture, and have learned from "Sous Les Toits de Paris," as I predicted, that speech can be far more effective on the screen when it is alternated with silence or accompanied by any sound than that of the human voice. There are some brilliant contrapuntal effects in "Over the Hill," as when the sound of a sewing machine assumes in the father's mind the noise of machinery in a convict prison, and when the mother's thoughts, almost inaudible at first, take expressionistic shape. Admirable is also the sound cutting of this picture, which is unfortunately marred by repetition in some of the sequences and an altogether excessive injection of sob stuff. But I recommend it as an extremely competent production, dealing with naturally the simple lives of simple people, which would be worth seeing for the sake of Mae Marsh alone. Miss Marsh is one of the veterans of the screen—she appeared in "The Birth of a Nation" and "Intolerance"—and her impersonation of the mother is beautiful, touching, and sincere. One does not often have the pleasure of seeing such acting. A very good cast includes James Kirkwood, Olin Howland, James Dunn, and Sally Eilers, but the picture belongs to Miss Marsh. Henry King, who made the talking version of "Tol'ble David," directed.

"Un Soir de Raffle" (Rialto), which is directed by Carmine Gallone, again partners Albert Préjean and Annabella, who were seen together in "Le Million." The picture owes much to René Clair's technique, and is admirably acted and directed. There is an extremely clever sequence of a boxing match in which the ring itself is not shown for the greater part, the progress of the fight being indicated by the facial play and gestures of the audience. In another excellent scene Préjean's voluble excuses are listened to almost to the end by a perfectly silent Annabella, whose acting needs no words. She and Préjean are both essentially mimes, and this is a picture in which the spoken word is so largely superfluous that despite the absence of titles it should be intelligible even to those who have no French. Go and see it; Annabella's finished acting should be studied by all the pampered darlings of Elstree—who would, however, probably not profit by the lesson. Préjean, who is appearing every night on the Rialto stage, is as good as he was in "Le Million."

"The Optimist" is a very ordinary picture, designed to exploit the rather engaging personality of Eddie Quillan. Like so many other American films, I found it interesting because of the fidelity with which it mirrors American small town life, an existence at once unsophisticated, narrow, and modern. A spot so small that it would in England rank only

as a largish village is dignified by the name of "the city," whose apex of excitement, entertainment, and *beau monde*, is apparently an annual strawberry cake party promoted by the local women's organisation. Yet everybody in the place, down to the hotel baggageman, owns a car. These pictures have at least the value of showing us something of the real America and something that has no connection with the America of gangsters, racketeers, or cabarets, while the products of the Elstree and Islington factories show us virtually nothing of the real England.

It is a pleasure to be able to recommend an English film, even if it does not attain nearer to reality than the novels of Edgar Wallace. "Condemned to Death" is a good thriller, and although, like most thrillers, its plot will not bear close examination, it thrills across the footlights by means of quick direction and playing. Walter Forde, the director, has contrived good entertainment, and if there is some cause for regret that so excellent a comedian should have abandoned acting for direction, we have so few directors in England who understand even the rudiments of the cinema, that Mr. Forde should be encouraged to continue in his present role.

This Week's Films.

"Heaven on Earth" is being shown at the Regal. This is a somewhat unusual film, with the Mississippi for background and as characters the river steamboat men and the "white trash" living on its banks. It is reasonably good entertainment, but too unsophisticated for English audiences; the high spot—the river in flood—fails to thrill; and it is difficult to realise on what principle the title was selected. "Strictly Dishonourable" is also in the bill.

"Westfront 1918" continues at the Academy; "Dishonoured," with Marlene Dietrich, is at the Stoll and Tussaud's; and "Money for Nothing," with Seymour Hicks, and "The Desert Song" (the latter a revival) make up the Pavilion programme. At the New Gallery "Surrender" is the principal attraction. I understand that "Over the Hill" is first to be shown at the Capitol, but the date has not been fixed at the moment of writing, nor have any definite arrangements yet been made for the public presentation of "The Optimist" or "Condemned to Death."

DAVID OCKHAM.

Music.

Bruckner: St. Alban's, Holborn, Jan. 21st.

With great and praiseworthy enterprise for unknown and unfamiliar work but a temerity that was not quite so meritorious, a programme of some of Anton Bruckner's most representative work was given in this fine church. Two of the works *Psalm 150*, and the *Te Deum*, were first performances of particular and peculiar interest to musicians of discernment. And with all the very obvious shortcomings of an orchestral score very clumsily adapted to the organ, and a church choir who although excellent of their kind, are not equal to the severe demands of such elaborate choral works such as these, it must be said that the music was a real revelation. Here is another true Catholic mystic in music, like his great successor Gustav Mahler, with the same ardent passion, faith and glowing sincerity; and a hearing of these beautiful original and deeply moving works makes one thoroughly understand why Bruckner has been considered by competent critics not merely equal, but superior in musical stature of Brahms. And I must confess that I know no works of Brahms as fine and distinguished let alone finer than these of Bruckner. That coarseness of fibre both spiritually and intellectually, that for me at least always makes itself felt in the works of Brahms, that mental and

spiritual *air de province* that always clings about him—no trace of it is here in Bruckner. He it seems to me continues the line Schubert, Schumann, which culminates finally in the splendid and towering figure of Mahler. One would gladly have heard the whole of the E minor Mass (of which only the Kyrie Sanctus and Benedictus were done) instead of the interpolated César Franck organ composition, the bombastic pretentiousness of the manner and glutinous viscosity of the texture of which were sadly out of place side by side with music of such real nobility and loftiness.

The choir, who appeared to number not more than forty, struggled valiantly with great difficulties and for the sopranos *atessitura* decidedly beyond the reach of an average church choir. The repeated high A's, B's, and C's, given the gruelling and merciless pitch of the organ at St. Alban's, which is the Old Philharmonic, English or full concert pitch as it is sometimes called, and which is practically a semitone above the normal, involve a severe strain on any voice let alone those of boys, and when all is said and done it was a heroic failure. Young Mr. Lesley Duff (or was it Mr. Ian Glennie?), who has the finest voice I have ever heard in a boy soprano, much finer than the much boomed Eric Lough of a few years ago, and is a much better singer, must be especially congratulated for the musicianly intelligence and beauty of tone which he brought to bear on his short solo passages, in which respects the tenor soloist, who had an unpleasant hard tight production, and a pseudo-Italian operatic manner of delivery, ludicrously out of place in this essentially devotional-mystical music, fell far short of the standard set by his young colleague.

Wireless.

A strange jumble of what used to be called "sacred" music, was given recently, consisting of a lovely extract from Berlioz' exquisite tender and moving *Infancy of Christ*, and a slice of Parry's *Judith* that the writer of this, and so much other dreary respectable Kensingtonian drivel, should have been nicknamed by anyone (even from Kensington) the English Bach, is a phenomenon as astonishing as it is sinister; until we reflect how abominable was the taste of Victorian Chelsea surpassed only by that of Neo-Georgian Chelsea with chromium steel furniture like the petrified trails of sheep, with Stravinskies and Hinde myths all to match (from the same mass production factory). Why cut down *The Infancy of Christ* to make room for Parry if you please?

Later in the week a most interesting Busoni programme was announced, of which I only heard the last few pages of the violin concerto and a few of the *Turandot* suite, for the languid flabby ineptitude and lifelessness of the performance, which took all the point and precision out of Busoni's brilliant and subtle musical thinking, made it frankly unbearable for me to listen to even as a caricature. I wonder, as does everyone else who has the advantage of music at heart, how long the B.B.C. are going to be before they realize their colossal blunder in estranging and antagonising the great musical genius without whom such a concern as theirs for all its admirable qualities is a body without either a soul or much of a brain? I mean of course, Sir Thomas Beecham to whom they behaved not so long ago with a discourtesy so gross that inevitably places upon them all the onus of seeking a reconciliation? The facts of the time were so obscured by a mass of entirely irrelevant comment, that they will probably have been forgotten but they need only to be stated for the full extent of the affront to a great musician that they are to be realised. The great conductor had drawn up his programme with his usual care skill and constructive art, only to find that this was subsequently altered without either his

knowledge or permission, a piece of impertinence so outrageous that it would be difficult to find a parallel to it, even in the conduct of public bodies, notorious for their bad manners. Upon Sir Thomas declining to have anything to do with the altered programme, an absurd report was put about that owing to indisposition, Sir Thomas could not conduct the concert in question. This fiction Sir Thomas exposed in letters to the Press in which he gave the whole account of the affair. But I suppose with public bodies, as with individuals, Pope's couplet is equally true:—

Forgiveness to the injured doth belong,
They ne'er pardon, who have done the wrong!

Another outrage of a rather different and far worse kind calls for the severest comment. A certain journalist, a "snapper up of unconsidered trifles," a sort of camp follower and *vivandière* of literature, who by dint of limitless cheek, a cheap glib flashy back chat, along with an astute flair for raking in "tasty" muck, has lately produced a book written obviously round a great artist not long since dead—a production almost as far beneath contempt as a work of literature as the author of such a production as a human being—a book compact of the mean malice, the petty spite and venom of the spiritual base for those immeasurably above them in ability and gifts. What makes the whole business so unspeakably revolting is the adulation and simulated admiration previously lavished publicly by the writer (alas! for the misuse of the word!) not long since, on the one whom he has now taken as the "inspiration" for the central figure of his latest compilation. And as I do not propose to give the author and his pestilent rubbish, if I can possibly help it, one single further reader, I may at once say that nothing will induce me to disclose the name of either.

KAIKHOSRU SORABJI.

The Northcliffe Will Case.

The English law courts have been the scene of many extraordinary suits in which the validity of testamentary dispositions has been disputed, but a case of this kind involving some millions of pounds sterling, which led to serious charges being brought, not only against interested parties, but also against solicitors and counsel who assisted the litigants, must be unique in legal annals. When it is added that the chief financial issues concerned the sale of a Press organ, the vast extent of whose influence, real and potential, it is impossible to estimate with any degree of accuracy, the significance of the proceedings which questioned the administration of the late Lord Northcliffe's estate will be appreciated. In November, 1926, Miss Louise Owen, on behalf of herself and other beneficiaries under Lord Northcliffe's will, brought an action in the Chancery Division of the High Court, alleging breach of trust against Lord Rothermere, the principal purchaser of the estate, and Sir George Sutton, the administrator. The action, which lasted for eight days and produced a number of surprising revelations, was eventually, like many others, settled out of court. It was only briefly noticed in contemporary newspapers, and somehow escaped inclusion in any of the authorised law reports. The recent appearance in printed form of a detailed account of this astonishing case, together with all the relevant *ex parte* documents available, is very welcome, but it cannot as yet be said to have attracted the attention which it manifestly deserves.*

The plaintiff, Miss Owen, became private secretary to Lord Northcliffe a few years after the founding of the *Daily Mail* newspaper, and she remained in that confidential position till the proprietor's death twenty years later. She seems to have been more than a mere secretary, for through-

* "Lord Northcliffe: The Facts." By Louise Owen. Printed and published by the author. 5s. net.

out this period in which she watched and assisted in the building up of a great daily journal Lord Northcliffe came to rely upon her powers of judgment and vision so much that in 1921 (the year before he died) he informed her that she was "one of the most influential women in Europe." Judging by the appreciative memoir which she wrote on his death ("The Real Lord Northcliffe") and her conduct both during and subsequent to her employment in Carmelite House, she was deeply attached to her employer and had his interests at heart. On his part, Lord Northcliffe repaid this devotion by a generous salary, which he directed his executors to continue as an annuity after his death. Miss Owen also appeared as a beneficiary under his will to the extent of two per cent. of the income arising out of the residuary trust fund.

Now it will probably be remembered that when Lord Northcliffe died two documents were discovered purporting to be wills. The first, which was executed in 1919 and appointed Sir George Sutton and Mr. H. P. Arnholz as joint executors, was a long document bequeathing to his relations, friends, and employees a life interest in his estate, which was ultimately to go to charities. The second was a short document drawn up in July, 1922, a few days before his death, in which Lady Northcliffe was appointed sole executrix and residuary legatee. The original draft of this latter will (it was subsequently "polished up") was made when the testator was evidently *non compos mentis*, since he speaks of himself as "suffering from the dangerous disease, Indian jungle fever, and another, unknown to any doctors in Great Britain, poisoning by ice cream supplied on the Belgian frontier, where I was unfortunately known." This evidence of insanity was corroborated by the sworn statements of several male nurses who attended his lordship during his fatal illness. As events turned out, neither of these two wills was relied upon to the complete exclusion of the other, but a third document was subsequently effected as a "compromise" between the respective beneficiaries under the original wills. Miss Owen's primary submission was that either one will or the other must be the legal one, and that any agreement made between the parties severally interested in each would not be in accordance with the testator's intentions. She, therefore, at first refused to sign the compromise, but later, on being threatened with "financial extinction" if she did not and pressed by the trustees, who represented to her that Mrs. Harmsworth wished her to do so in order to prevent the nature of her son's illness from being made public, she consented.

It had now appeared that all the capital sums allotted by Lord Northcliffe for the payment of legacies to his employees and other friends could not be borne in full by the estate, and these legatees were consequently offered a few shillings in the pound in settlement of their claims. This nearly caused a strike in Carmelite House, and Miss Owen, who was convinced that Lord Northcliffe was far too shrewd a business man to charge his estate with burdens which it could not bear, thereupon determined to help the poorer beneficiaries to get their due. She discovered that Sir George Sutton, who was appointed administrator *pendente lite*, had sold the majority of the shares in the Associated Newspapers, Ltd. (carrying the control of the *Daily Mail*) to Lord Rothermere before the will was proved. Four hundred thousand £1 shares changed hands at the price of £4 a share. A few months later the market value of the shares rose to £9 each, so that Miss Owen submitted in her statement of claim that the sale was at a great under-value and fraudulent and, therefore, not binding upon the persons beneficially interested in the Northcliffe estate. Lord Rothermere in his defence denied that the terms of the agreement for sale were unfair to the beneficiaries, or that the purchase price was below that which could otherwise have been obtained for the shares or that he had exercised undue or any influence over Sir George Sutton. In her hunt for witnesses Miss Owen experienced the same difficulties as in her hunt for legal advisers—the majority of each of these classes of individuals refused to help her for fear of offending such a powerful influence as the principal defendant. She did, however, obtain the services of Mr. Thomas Marlow, the late editor of the *Daily Mail*, who swore that immediately after Lord Northcliffe's death he offered to buy the shares on behalf of the Conservative Party, and that Sir George Sutton admitted to him that he did not want an offer. It was suggested that the shares were sold to Lord Rothermere with what must have appeared to all interested spectators as indecent haste, and Lord Rothermere admitted that he had formed the *Daily Mail* Trust for the express purpose of raising the necessary purchase money. The Attorney-General, on behalf of the Inland Revenue authorities, also commenced proceedings against Sir George Sutton by way of "information," and during the hearing of Miss

Owen's action it was stated in court by the Attorney-General's legal representative that £4 was not accepted by the State as the value of the shares in question. It may be added here that during his lifetime Lord Northcliffe had intentionally kept the price of the shares below their real value so as to prevent a block changing hands for speculative purposes.

As Miss Owen's leading counsel, Sir William (then Mr.) Jowitt, K.C., observed in opening the case the action involved a story of newspaper finance, and in the newspaper business the question of control is more important than in any other business. From the enormous profits recorded in it during recent years, it would appear that it is by far the most prosperous in the country, and that its leader, Viscount Rothermere, is the richest man in the community. The particular direction in which this noble lord's abilities lie may be gathered from the following passage which occurred between the judge and Miss Owen's counsel during the hearing of her action:—

MR. JUSTICE ASTBURY: ". . . of course, there is no doubt that Lord Rothermere is an extraordinarily shrewd and able newspaper man."

MR. F. K. ARCHER, K.C.: "Why does your lordship say that? . . . There is no evidence of it at all. There is evidence that Lord Rothermere has been very successful with the *Daily Mirror*, which is best known for Pip, Squeak, and Wilfred, but there is no evidence that Lord Rothermere has ever created a thing like the *Daily Mail*."

MR. JUSTICE ASTBURY: "It may be a stroke of genius to imagine that anyone would care to read about Pip, Squeak, and Wilfred, or whatever it is, more than once."

MR. ARCHER: "If it does anybody any good, I admit that Lord Rothermere is a genius at making money, but that is a very different thing from admitting that he has any real knowledge of newspapers as newspapers in the sense that the *Daily Mail* and the *Evening News* are newspapers. . . . It is quite a different scheme to manage and keep on foot a thing like the *Daily Mirror*."

The *Daily Mail* Trust is one of the greatest financial powers in the United Kingdom, since it has not only acquired the Northcliffe interests, but has also, after threatening to squeeze out a rival magnate, Sir Edward Hulton, bought his properties for the sum of £6,000,000. The Associated Newspapers, Ltd., has since its acquisition by Lord Rothermere doubled its deferred capital by the issue of bonus shares, so that what the *Daily Mail* Trust originally purchased for £600,000 is now worth about £5,000,000. The interlocking of the various interests comprised in the Rothermere group is extremely complicated, and it becomes interesting when it is added that the result of what may be called this co-operative competition is that all the old-established and reputable morning journals in the provinces are being gradually ruined by metropolitan newspapers which can instruct the populace to think and even to vote as their directors desire. Regardless of truth, such matters are luridly discussed as the Zinoviev letter, and Soviet slave gangs, Lord Irwin's surrender to the late Labour Government; and it is not difficult to imagine the effect of reading such well-seasoned copy in the case of registered and insured subscribers to the papers in question. Miss Owen could not have constituted herself a better exponent of the futility of the franchise when exercised at the will of a gigantic Press dictatorship.

Miss Owen has also rendered the public a service in publishing the history of a case which demonstrates so clearly the correlation of the Press, law, and finance in a modern community. She is, no doubt, familiar with the law of libel, and is prepared to justify in greater detail if necessary any specific statements if called upon to do so. There is a strange succession of amazing incidents in this case, and it is difficult to resist the temptation of following her through them—how, for example, attempts were made to buy off her opposition by offering her a cash sum in settlement of her claims, to silence her by stopping her income, and finally to ruin her socially as well as financially by imputing the parentage of her adopted children to Lord Northcliffe and herself, how her bank pass book mysteriously disappeared in the post, and how, after an understanding that the defendants were to pay her costs, the order for costs was held over her head "as a convenient order to have in case she did not behave herself." These are only a few of the features in her struggle against one of the most powerful monopolies known in modern times. Though at present it is unlikely that this case will be reopened, it may nevertheless ultimately come to be regarded as a cause célèbre.

ERIC MONTGOMERY.

Reviews.

On Love. By A. R. Orage. (The Unicorn Press. 24 pp. 2s. 6d.)

Montaigne remarked that it was of the nature of love to be violent, and contrary to the nature of violence to endure. Such has been the general Europeans' attitude. Europe has foolishly tried to support a cast-iron institution of monogamy as a passion acknowledged to be uncontrollable. In consequence a society which despises all but permanent truths in the field of science is unable to arrive at any substantial truth whatever as regards human relationships. It no longer knows love, but only the institution of marriage and the urge of sex. It is therefore natural that both the divorce-courts and the psychoanalysts' consulting-rooms should overflow. Mr. Orage describes his essay as a free adaptation from the Tibetan. Those who wish to go on believing that love must come and go as it listeth should not read it. Those who have an inkling that understanding, right thinking, and right acting may be as attainable in the emotional as in the scientific sphere surely will, and will be rewarded for doing so.

P. B.

LETTERS TO THE EDITOR.

LAND UTILISATION SURVEY.

Sir,—It will interest you to know that "Passes" were issued to volunteers filling in the maps. I have not been able to get hold of one, but our schoolmaster here had one. He never used it as farmers apparently had no objection to his going over their property.

I saw the filled-in map for this district; my own garden is marked as Forest, mixed. It is true I have some nice trees, but "Forest"! I think that is a good example of the probable accuracy of the survey? AQUARIUS.

Sir,—I think the work of the Land Utilisation Survey has been going on for six years, and by now most of the country has been "surveyed" at least once. Our school was responsible for about 25 fields, and four boys and I spent a summer evening "surveying." We "trespassed" to a small extent, but no one objected, and from one person we obtained a verification of our suppositions. Another assistant filled in the required details on the map.

I enquired of another farmer if his fields had been surveyed. He didn't know, but he wished someone would survey the drainage system. M. W.

Sir,—From the recent article in your "News Notes," and Mr. Holyoake's letter, it is evident that misconception exists in some quarters as to the character of the Land Utilisation Survey of Britain. The Survey is an independent organisation, and apart from the fact that its aims and methods have the approval of such bodies as the Board of Education, through the present and past Ministers of Education, the County Councils Association, and the Forestry Commission, it has no connection with any Government Department, nor with any political party or organisation. With the exception of a small office staff, all the work is carried out by volunteers.

The Survey aims at making a complete picture of the surface of Britain at the present time, grouping the uses of land under the six categories of arable, permanent pasture, heath and moor land, woodland (distinguishing the main types), gardens and orchards, and land agriculturally unproductive. The six-inch ordnance maps, which mark every field, are used for this purpose, and the results are eventually reduced to the one-inch scale for publication.

There are two main aspects of the Survey: the educational value of the work itself, and the permanent value of the results. The former has been stressed by British educationists of every kind—universities, directors of education inspectors, teachers in all types of schools, and children themselves. All are agreed that a local survey provides an ideal way of combining a training in accurate observation and map-reading, and of engendering an intelligent interest in the home environment.

That the results of the whole scheme are likely to be of considerable value is adequately proved by the encouragement given by various bodies. Practically every university work and in the results, which are to be published on the one-inch scale, and so made available to the public. Research workers in the department is actively interested, both in the six-inch scale.

Apart from academic interests, the Land Agents' Society is interested in the Survey, and is represented on its Advisory Committee.

It is not proposed to issue a "series of volumes stuffed with statistics," but merely a series of one-inch maps show-

ing in colour how the land is used. These are not concerned with administration or taxation, and are quite different from the maps produced by any government department, and will be issued as a separate series, though arrangements have been made for the Ordnance Survey to print them.

So far, over one fifth of England has been surveyed, while most of the remainder is rapidly nearing completion, and almost without exception, the voluntary workers have purchased the maps they use. As he does not give his address, I cannot tell whether Mr. Holyoake's land has been surveyed, but farmers all over the country have been very helpful. They have shown the greatest interest in the work, and have given every assistance to the surveyors, be they university lecturers or elementary school children.

It is significant that no complaint whatsoever has been made of damage done or annoyance caused by volunteers working for the Land Utilisation Survey. Volunteers, if they so desire, are issued with a card respectfully asking permission to have access to land.

Anyone interested in the scheme is cordially invited to inspect the work at the headquarters of the Survey (18, Houghton Street, W.C.2) within the usual office hours (10 a.m. to 5 p.m.).

EDWARD C. WILLATTS,
Organising Secretary, The Land
Utilisation Survey of Britain.

SOCIAL-CREDIT GROUP POLICY.

Sir,—May I suggest to your readers in towns where independent Douglas Social Credit Associations have not already been formed that it is now time to get down to it and do so, making a point of declaring a 100 per cent. Douglas policy? The (shortly to be published) policy of the Manchester Douglas Social Credit Association, which reads as follows, may be of interest in this connection:—

1. To give the utmost publicity to the Social Credit proposals of Major C. H. Douglas and to forward their adoption.
2. To recruit as many supporters of these proposals as possible.
3. To declare at all times and in all places its uncompromising hostility to the anti-social Dictatorship of the Bank of England, the Bank for International Settlements or any other centralised control of Finance under anti-social direction.
4. To challenge all bodies having as their object Financial Reform to declare their attitude to the proposals the Association stands for.

T. C. WRYCROFT.

Hon. Secretary,

Manchester Douglas Social Credit Association,
Burrfields, Chapel en le Frith.

READING COURSE IN ECONOMICS.

Sir,—Your issue of January 21—Answers to Correspondents column—Reading Course in Economics (S.E.L.B.). In this connection students will find useful the Calendar of this School, published at 3s., paper covers, and 3s. 6d. bound. It contains lists of works recommended for reading according to each course given here.

C. FULLER.

Assistant Librarian, The London School of Economics,
Houghton Street, Aldwych, W.C.2.

MATHEMATICS AND SOCIAL CREDIT.

Sir,—I should like to support Mr. Cousens in his letter in your issue of January 28. I was once a Cambridge Wrangler, but my appreciation of Douglas is not altogether due to that. True, the mathematician might find the study of Douglas easier to tackle than the non-mathematician, of Douglas easier to tackle than the non-mathematician, for two reasons: (1) Because he is more familiar with arithmetical analysis; (2) because the idea of analysing industry by considering what is going on at any moment is familiar to him in his treatment of dynamic quantities such as moving masses, electric current, expanding gases, etc. After (2) $A + B$ is a matter of arithmetic, and amounts to a statement that £7 is greater than £4, and the fact that it matters is proved, not by mathematics, but by proving that the £3 difference was once in existence and is not now, and this can only be proved by proving that the technique of the creation and destruction of bank credit is a reality and not a myth.

It is a mistake to bring mathematics into it at all. It frightens people away. Others, who see that Douglas is talking sense, feel that they can never hope to appreciate him without mugging up algebra and the calculus; which is nonsense. In his "Monopoly of Credit," Douglas goes to elaborate mathematical pains to prove that the rate of increase of deposits equals the rate of increase of loans. The fact is obvious, because every bank loan creates a de-

posit, and there is no other source of deposits but bank loans. To a mathematician the proof is unnecessary, to a non-mathematician it is unintelligible. The whole subject can be treated by illustrating with numerical examples and eschewing "x."

A few issues ago you suggested that the subject should be submitted to "big noises" in the mathematical world. There is not enough mathematics in it to interest them, no more in fact than can be found in the text-book of a sixth form secondary schoolboy. The most they could say would be that he seems to be tackling the problem on the right lines. They could not support his conclusions without making sure of his premises. It is quite unlikely that they would engage in a lengthy study of finance and accountancy. They would probably seek their premises from accepted authorities like Keynes, Pigou, Gregory, Stamp, etc. In the end they might sum up: "Given such and such premises our conclusions are, etc. . . ." But the A + B controversy is no more than a quarrel over premises, and after that the scheme a quarrel over practicability. So we should not be getting much of a move on.

Jeans, whose book on electricity was a terror of complex mathematics to me in my undergraduate days, in his "Mysterious Universe" has this statement: "And so again, the zealous but unenlightened social reformer and the ignorant politician are alike apt to see conspiracies of the deepest dye behind the operation of those economic laws which make it impossible to get a quart out of a pint pot." He is, of course, echoing the talk current prior to the last general election. All his mathematics does not enable him to see that the world's trouble is that it is only drawing a pint from a quart pot that can be filled at any moment. "Credit Power and Democracy" was submitted by a friend of mine to his brother, a considerable mathematician, withal a man of advanced political views. The book made no impression whatever. From a single-sentence quotation in the pages of the "Mathematical Gazette," evidently made to show the sort of thing non-mathematicians say, I have reason to believe (I am piecing things together) that the only thing which stuck in his mind was Mr. Orage's definition of a percentage!

P. MAMLOCK.

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