

# THE NEW AGE

INCORPORATING "CREDIT POWER."

A WEEKLY REVIEW OF POLITICS, LITERATURE AND ART

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## NOTES OF THE WEEK.

The Finance Committee of the Essex County Council were recently beaten in the Council on a proposal of theirs to apply £65,000 out of current revenue for capital expenditure. The Committee wanted to avoid new loans and debts-charges, but their opponents urged that the money should go to the relief of rates instead; which it now will. The growing burden of debt is, as was pointed out, a serious problem, but to attempt to arrest the growth by the above method was not only unjust but would have been futile. Such a policy is unjust because it is making ratepayers buy assets outright—assets which will be serving the community years after these ratepayers are all dead. It is futile because the taking of the money to prevent the addition to Local-Government debt can be shown either to leave already-existing debt standing elsewhere which would otherwise have been reduced; or else to cause new borrowing to take place elsewhere.

This fact would be seen at once supposing every ratepayer in Essex earned and spent his income in Essex; for the total income of the ratepayers would represent costs, incurred by Essex industries, and waiting to be recovered in prices of goods in Essex shops. If then, these ratepayers were made to spend this shopping-money on building a new school or power-house, then the debt-burden avoided by the Essex Council would reappear as a deficit sustained by Essex industries. And supposing there were, let us say, an Essex Chamber of Commerce which administered and accounted the industrial activities of the county on parallel lines to that of the Council and its public undertakings, the futility of trying to dodge debt in the above manner would be exposed to all eyes in the accounts of the Chamber, which would disclose a deficit equal to the amount of the Council's expenditure on the buildings. The Finance Committee of the Chamber would now promptly counter the policy of the Finance Committee of the Council by recommending a reduction in wages and salaries, the closing down of industries,

the dismissal of wage-earners, and the slowing down of production.

But Essex is not a closed economic area; and the consequences of the Council's financial policy do not necessarily all take place in that county. Some ratepayers earn money outside its borders, and others spend money outside; and therefore the accounting, which we have just supposed, of the internal activities of the county would not necessarily disclose the dilemma that has been described. In fact there is no county in Britain, nor any country in the world which is a closed area in the above sense. It would be only when the whole world and its activities were brought into the survey that all the relevant figures could be assembled. No such survey is made; yet anyone who reflects on the world situation to-day in which every country is in trouble over a glut of goods and a shortage of money, and none can see any way out but by unloading its glut onto another with a glut, and collecting money from another with a deficit of money, will be able to see the world-dilemma without requiring to see a world-balance-sheet. For, after all, the figures in the accounts would only measure the size of the trouble—figures are not necessary to prove its nature and cause.

The concern of the Finance Committee about the burden of debt was quite natural, and even commendable—and we are glad to note from some of the speeches made at the meeting that many other Councils are equally concerned about the same problem. But they will have to get rid of the notion that the burden of a debt is necessarily a matter of the size of it. The size is an incidental matter: the burden arises out of the conditions under which debts are contracted and discharged. In theory ratepayers might have been forced in the past to buy all new capital assets out of income, in which case they would have no burden of debt at all, but, for reasons shown, they would all be out of work. For the same reasons the same consequences would appear if they had been forced to lend the money, because when they lent it the shops would go short of it, and industry would be insolvent. Now, tak-



ing all debts into consideration, their existence is evidence that enormous sums have been lent in the past; and, though voluntarily lent, someone might wonder how the industries of Britain have managed to survive the diversion of so much money to public purposes which they needed to collect in prices. The explanation is that the banks lent part of the money; and the part they lent did not come out of income but was new money. Thus the injury to trade which would have resulted from private investment was kept within bounds by the relief afforded by the banks' loans. In an ultimate sense all debts, public and private, are debts to the banks. It is true that, to take token figures, the total of all debts together would add up to say £1,000, while debts specifically due to the banks would be say £10; but it can be shown that if the banks chose to call in the £10, the value of the £1,000 worth of securities in private creditors' hands would collapse to £10 (or less) as the result of a general scramble to turn the securities into cash to repay the banks. The total amount of money in the hands of the public is never greater than the total amount of bankers' loans and purchases at any given time. So in a forced sale of securities, no matter what their nominal value was, they could not fetch more than that sum—and would fetch considerably less.

The general truth of this statement is attested by the series of industrial "re-constructions" which have taken place in this country since the banks ended the boom in 1920-21—e.g., Vickers, Armstrong-Whitworths, the Hatry companies, and the Royal Mail companies. Innocent investors in these useful enterprises—in these national assets—saw millions upon millions of pounds written off the value of their holdings with utter disregard of what they may have paid to acquire them. A little reflection will show them that there is no essential distinction between anybody's investing, say, £100 in capital assets today and being told to-morrow that his investment is worth, say, £25, or his making a free gift (voluntarily or involuntarily) of £75-worth of assets to "the Government" or "the nation," or, more specifically and truly, to such persons or institutions who turn out to be the preferred creditors in whose interests the properties are reconstructed—mostly banks and insurance companies. And so, with regard to the problems of Essex, there is no ultimate advantage in the Council's making the ratepayers buy capital assets and give them to the Council, compared with the alternative policy of borrowing the cost on behalf of the ratepayers. From the point of view of the average ratepayer he would sooner part with his money over a period than all at once, even granted that his instalment-purchasing costs him more because of interest and other charges. And as a matter of probability amounting to certainty, the policy of making him buy public assets would drive him to mortgage his personal assets to a like degree. Thus, the Council, in trying to avoid a collective burden of new public debt, would be imposing a series of individual burdens of new private debt on its own constituents. It comes very near to killing the goose that lays the golden eggs.

It will be seen that the policy of the instalment-purchase magnates—that of spreading the financial risk over the general body of consumers—has some significance in this connection. Nothing would please the money magnates better than to make every individual in this country a legally actionable entity in respect of a given proportion of the national debt. For in that event each of them would be obliged to balance both his own Budget and his part of the national Budget as the alternative of being sold up and slung out on the street. As things are, he is

protected from that by the interposition of a representative body who collectively take responsibility for public borrowings, but who, as individuals, are free to get out of the responsibility by resignation. There is no law compelling a Councillor, or a Member of Parliament, or a Cabinet Minister, to continue in his position or office. It is true that in certain circumstances Councillors can be surcharged, as citizens, in respect of public expenditure found to be against the law; but they are immune from actionable liability otherwise.

This is a matter of increasing importance because whereas, once upon a time, the insolvency of public bodies could frequently be fairly ascribed to unreasonable and imprudent acts (acts for which to-day the law—or the Department-Order "lawlessness"—makes them liable as persons) practically the whole of existing public insolvency has come about from external causes which no public administrator can be held responsible for not foreseeing or measuring. Our readers, who know what those external causes are, and whence they proceed, will realise that the situation is developing along a line whose end will be the breakdown of local government, and lowering everything for the private ambitions, and sometimes the sordid motives, which impel people to seek election to public bodies, there is a limit beyond which they will not undertake the responsibility of public office. No-one can imagine any body of Councillors consenting to insure creditors against Municipalities out of their personal estates against "Acts of God." No one of them would, for example, say: "I will, as a private citizen, gamble my personal possessions against the chance that a sudden slump in world-prices (commonly supposed to be an Act of God) will cause a Municipal default." Nor will he even attempt to raid the ratepayers for the deficit; for that which has hit the Council's Budget has hit theirs at the same time. So the banking authorities, who are the authors of this mischief, are approaching a dilemma in which they will have to face the problem of passive repudiation on the part of local authorities, in which case they will have to provide financial relief out of their hidden credit-resources, or else foreclose on the Municipalities and administer them through their own paid agents after the model of the Ministry of Health's autocratic supersession of the West Ham Board of Guardians. There was once a taxpayers' strike in Poplar: recently there was a taxpayers' strike in Chicago, where the Mayor was driven to the attempt to farm out public revenue-collecting rights to private enterprise—selling them to the highest bidder! To-morrow this public official's virtual abdication may be emulated by British public bodies if something does not soon happen in these pages that citizens should abstain from electing candidates to be bettered by the decision of potential candidates not to offer themselves for election. For which one of us is going to render voluntary service in public administration when by so doing he inevitably exposes himself either to resentment from below or legal penalties from above? French Governments have been leading the way: when any Government's financial figures add up awkwardly, it resigns and bows in another Government to check the additions. Let the bankers do their own dirty work.

When speaking of "Acts of God" in relation to financial phenomena we are of course speaking ironically. But, as will be seen in an article we publish elsewhere, there is a world-wide celebrity who seriously connects the two. Not in set terms, of course, but by clear implication. We refer to Mr. H. G. Wells, who pleads in his latest book that the bankers are as much perplexed at the situation as are other people. They are learning the Ways of God, is his

virtual suggestion, and as they have taken degrees in Financial Divinity they are likely to find them out more quickly than are lay students: therefore, he tacitly concludes, let us all stop brawling in Church and leave them to pray in peace. We can, by the way, assist Mr. Wells by pointing out how much more force he can impart to his peaceful exhortation by adducing the fact that the most prominent and intrepid explorer of the mysteries of finance at the present moment, Dr. Robert Eisler, is a celebrated historian of Christian origins, a distinguished Orientalist, and the author of a book called *The Messiah Jesus*, which created a sensation in 1929. One of his achievements was to decipher the Sinai inscriptions discovered by Sir William Flinders Petrie in 1904. These facts, and many others, are contained in an admirably comprehensive and compact biography of Dr. Eisler which has been contributed to our columns in this issue by Mr. E. J. Langford Garstin, a director of the firm which published his latest book. Assuming the economic debacle to be the product of occult forces there is no question that what our correspondent says proves Dr. Eisler to be possessed of all the qualifications relevant to the solution of the bankers' perplexities.

Our main concern with Mr. Wells is that he seems to be making the existence of these perplexities part of his propaganda for Peace and Disarmament. He contrives to present war, and preparations for war, as constituting an obstacle to the solution of the financial mystery. Thus his well-meaning admirers are being led to concentrate their thoughts on pacifist ideology, and their political activities on pacifist technology, under the impression that if nations have no weapons they will all be friends, and that if they are all friends the economic problem will solve itself. That is like thinking that if you remove the pressure-gauge from a boiler it cannot burst. This might be said to be none of our business if only we had the option of getting outside the boiler-house and watching events from a safe distance. But since we haven't we must persist in the effort to avert the disaster we foresee. Occasions for supporters of Social Credit to put in their word on the subject will present themselves with greater frequency in the near future when the Reparations problem is again considered. For it is certain that, whether explicitly so announced in public or not, there will be an offer of a measure of Debt-cancellation conditional on an equivalent measure of Disarmament. We have no doubt ourselves that the bankers' world-combine would be quite prepared, in return for the complete cession of national armaments to an international body of control (whom of course they would direct) to let the world have the Eisler Plan complete with its astronomical programme of credit-expansion. "Compensated expansion" is the designation of the technique, and is half half-brother to the American slogan: "Reflation." It is not called "compensated" for nothing: the bankers will hand out the expansion all right, and the people will supply the compensation.

It is a cunning move on the part of the bankers to apply to this kind of scheme a designation which could logically be applied to the Social Credit Proposals, and, for all we know, may have been so applied by us in these pages; although it is more likely that we have said: "Compensated inflation"—for the discount given to the consumer under the price-regulation system would be truly compensatory in the sense that it had the effect of cancelling the inflationary margin of cost which had been automatically created in the accounting of the industrial system. While we, on the one hand, would be making expansion safe for the consumer, the bankers' only idea is to make it safe for themselves. That is the difference between the two "compensations." And the reason for the

bankers' objection to our method of compensation is that under it the people would gradually gain control over the direction of industrial, and then economic, and therefore political, policy—this control proceeding from and resting on the widening ratio between the income of the individual and that part of it which had to be spent on the means of life. Under the Eisler Plan the ratio would be stabilised at 1:1—the people would get their "basket of commodities" as Dr. Eisler puts it, but no margin of money for the pursuit of personal and national ideals—for in this region of life the bankers propose to impose their own ideals—ideals which lie away from personality and towards impersonality, merging differentiated national cultures into one stereotyped international culture. That such a world is in contemplation is suggested by the words of Mr. Edward Devine who, when holder of the chair of Social Economy (founded by Jacob Schiff) at Columbia University, claimed for High Finance not only supremacy over Industry, but "the spiritual direction of human affairs." (See *Paris Figaro*: February 20 last: article by François Coty: "Financiers Who Sport With The World.")

There are two ways of putting a spoke in the Disarmament wheel. One is to point out its futility or its danger. This of course affronts what may be called the "Disarmament Sentiment." There is an alternative way which, in form, appeals to it; and that is to say in effect: "Disarmament? Excellent, my boy! I'm all for it, all the time, and for all of it—d'ye get me?—for all of it." This would serve as a prelude to explaining that the principle underlying Disarmament is this: that international disputes *should* be (which implies that they *can* be) adjusted by reason and not force. It therefore requires for its satisfaction the elimination of every instrument of coercion—of every element which could and might influence one Government to demand, and another to concede, something which the latter thought unjust or injurious, and which might be so considered by a majority of nations not affected by the transaction. Now the list of coercive weapons is not exhausted by an enumeration of physical armaments. There is such a thing as financial coercion, the weapons being credits. Whether the pacifist will agree or not that credit-coercion has been or is being practised, he cannot contest the proposition that it *can* be practised against the evidence of newspaper editorials in which the application of financial blockades against recalcitrant bellicose nations has been openly pressed for. So the question obviously arises whether the pacifists' principle that coercive weapons should be relinquished by Governments on the ground that the possession of them tempts Governments to use them against the dictates of reason and the concepts of justice should not be applied equally to the weapon of credit. What guarantee is forthcoming that the nation wielding the highest credit-power is not going to use it illegitimately according to the above definition? Left to himself the pacifist would probably reply that credit-power is diffused among peoples, and is, moreover, their property, whereas armaments are concentrated in the hands of, and controlled by Governments. Hence, he might say, it is more practical to get physical disarmament adopted first. But the same pacifist, under incitation by a banker, might accept the logic of the proposition and point out that it could be satisfied by placing the control of national credit-power in the hands of an international body. If he took this line he could be led on to agree that, say, the Bank For International Settlements, or some body of that sort, would be the proper repository of both forms of coercive power—a World War Office as well as a World Banker. This concept would please him because he would consider that since (as he is led to believe by his newspapers) bankers preside impartially over industrial competition in their



own countries, they could preside impartially, as a body sitting at Geneva, over international competition. A judicial attitude of mind would, to him, guarantee just awards.

But just awards need to entail at least humanly tolerable consequences for weakest party to the judgment. Now in every armed country industry is presided over by bankers, in every one of them there are sections of people living under conditions threatening disorder; in every one a deficit of money and therefore political action to keep out goods from abroad and send more goods abroad; and in every one an impoverished population and a stagnant home market. Are these sets of phenomena, common to all the countries, the product of bankers' wisdom or of the refusal of the industrial population to listen to it? The necessity for an affirmative answer to one question or the other is apparent. For if you have, say, ten bankers each mismanaging his own country's affairs, how shall they collectively manage the affairs of the countries put together? Alternatively, if these same bankers are each frustrated in his own country, how shall they collectively avoid frustration when controlling the larger area? Or will any of the ten explain his individual frustration by saying that bankers in other countries managed their affairs more efficiently than he? That, however, would be an admission that they were in competition. But, leaving that aside, the question could be put to him: "Where are the fruits of the other bankers' better management? In what country can the population show the cash that yours have lost? In what country can they sell their production while yours cannot?" And to all of them together the question could be put: "Can you see any way in which your collective and exclusive control of coercive power would help you to achieve better results in these countries than now exist? Or is it that you don't know how to do so, or don't mean to, but want to evade your several domestic responsibilities by merging them into one international irresponsibility passing under the name of Act of God, while using force to make people to submit quietly?"

In this country the doctrine that the war services shall be subject to civil authority is more jealously held than in any other. Let any reader imagine that when, just before the great war, Ulster began to arm against Asquith's Home Rule measure, a high officer in the British Army had taken it upon himself to go to Belfast to discuss policy with his opposite number in the "Ulster Army." The outcry from Constitutionalists can be measured by the fact that Major Seeley (as he was then) actually lost his office in the Government for even listening to a deputation of British Army officers who called to ask what operations the Government might want them to carry out if troops were sent to deal with Ulster's threatened revolt. Yet whenever Mr. Montagu Norman has travelled to New York to see Mr. Benjamin Strong the meetings have had the same significance in principle as secret military conversations. The Governor of a central bank is the head of a war-service, and as such should enjoy no greater authority than the technical chiefs of the army, navy, and air force. If he claims that his specialised training gives him the right to influence high-political policy, then the soldier, sailor, and airman qualify for the same privilege. For bankers to lay down the axiom, which they do, that credit-policy must be free from political interference is the same thing as if naval commanders repudiated the authority of the Cabinet. Readers familiar with the technique of the fighting professions will be able to think of dozens of parallels between the things which are forbidden to the military arms of the Crown, but are allowed

the banking arm. The composer of the popular song fixed it beautifully when he wrote:

The King's horses  
The King's men  
March down the street and they march back again,  
The King's horses  
And the King's men.

They're not out to fight the foe;  
They might think so; but oh dear no;  
They're out because they've got to go,  
To put a little pep into the Lord Mayor's Show.

The Lord Mayor is the civil representative of the Mansion-House Money-Magnates; and the writer of the song presents with exact irony a picture of where the King's men belong when the banksters ride out—Dalmatian dogs-of-war trotting obediently under the axle of My Lady-of-Threadneedle Street's brougham. That is probably the reason why, although the military authorities dislike the song, they let military bands play the tune. There is a subtler reason, too; for curiously enough the music of the chorus, which sounds impudent when played at a racing jazz-dance pace, as it usually is, attains dignity when the tempo is slackened in keeping with the idea of the slow progress of a cavalcade and the sounds of walking horses. It evokes a mood in which one may reflect on the ancient story of Samson, who, though blinded and helpless, destroyed his enemies in the moment when they thought to make sport of him. The King's men may yet make a mess of the pillars of the Mansion House.

Opportunely enough, M. François Coty, who has been mentioned previously, has recently published six articles in *Figaro*, and *L'Ami du Peuple*, constituting a serial narrative of the secret financial operations of Jacob Schiff and Kuhn Loeb and Co., and their effect on American, Russian, Japanese, and German relations. It is a plausible, circumstantial and documented story covering the period 1890 to the present moment. If the statements are true they clear up certain points regarding the financing of the Russian Revolution which has always puzzled every serious student of that upheaval. It also indicates a possible explanation of the financial backing of the Hitler movement. The mushroom growth of the movement was—quite obviously to any adept in the theory and practice of the organisation of movements—not a natural or political integration. It shows every sign of having been financed on a large scale before it existed as a popular movement. Whether M. Coty is correct in his facts and his conclusions is another matter. Nevertheless, correct or not, the acts he attributes to Kuhn Loeb and Co. are all of a nature well within the competence possessed by any financial combine of that order of magnitude; and all that can be open to dispute is whether Kuhn Loeb and Co. wanted to do what is alleged, and, if so, why?

Broadly, the story alleges that this firm financed the Nihilists against the Czar; and financed Japan when at war with Russia—thus commencing the disruption of Czarism from inside and outside. During the Great War they were backing Germany in the hope that Czarism would suffer another reverse. They procured the first revolutionary Government were they saw that the first revolutionary Government were half-hesitating about coming out of the war, sent Lenin, Trotsky and other Russian refugees in to overturn it. M. Coty's theory is that Kuhn Loeb and Co. are now trying on this kind of intrigue against France. Our point in mentioning these details is not to discuss their truth, but to emphasise their possibility, and the fact that High Finance is able, by the use of its control of credit, to drive nations into military conflict. Finance is a super-militarist power

with super-armaments. And, as M. Coty's story illustrates, the only force which can impede or frustrate its policy is of a military character. His moral is that Frenchmen shall at least have their eyes open to the Reparation-Disarmament ramp. The dates of his articles are: February 20, 21, 23, 24, 28 and 29. All of them are in *Figaro*, but only some in *L'Ami du Peuple*. *Figaro* corresponds to the old *Morning Post*; and *L'Ami du Peuple* is the cheapest paper selling on the Continent to-day, namely at the equivalent of well under a half-penny. Its circulation is very large. The author is the François Coty of Parfumerie fame and wealth.

## A Miss is as Bad as a Mile. Wells on Work, Wealth and Happiness.\*

I.

The experience of a century is making it clear that, except for the convenience of paper or coins for small immediate transactions, it would be possible now to dispense with actual concrete money altogether; it would be possible to sustain the general working of an entire economic system by clearing-house book-keeping, by the continual transfer of money of account, of crude 'purchasing power' that is, from one account to another. This consideration alone opens up a very interesting prospect of the future of banking. . . . If it has already become possible to carry on a voluminous tangle of productive and distributive activities with all the monetary side simplified down to cheque-sorting and book-keeping, may it not be possible, ultimately, to carry on the whole productive and distributive system of mankind on a basis of debit and credit entries of purchasing power to the account of this or that community or association or individual?—(Pp. 375-6, *Work, Wealth and Happiness of Mankind*.)

Mr. Shaw in his "Intelligent Woman's Guide to Capitalism and Socialism" relieved himself of his economic burden when he dumped that enormous tome upon the public. Mr. Wells has followed suit with his 800-page volume now before us. Before saying anything about this book it is as well to remind ourselves of Mr. Wells's psychological set-up and mental attitude, the Wellsian *persona*, in fact. (Mr. Wells has borrowed this word "*persona*" from Jung, and is particularly pleased with it.) It is quite necessary to do this because Mr. Wells has been at some pains to soak every page and every sentence of this book in a strong solution of H. G. W. He has done this to make it as interesting and readable as possible, and it is interesting and readable. The difficulty is that the subject of the book—economic reality (how our economic system really works)—is inevitably entangled at the outset by certain deeply-rutted crinkles, wrinkles, and canyons of thought and of belief that are the Wellsian *persona*. Each individual personality has its own particular idea-conformation, but Mr. Wells has also the particular gift of phrase-making—an easy flow of words in which to float his *persona*. Like every good storyteller he takes delight in his own idiom.

The Wellsian mind and feeling is not that of a digester; it does not digest data. It works as a sorting-machine. A very ingenious sorting-machine. You fix it up in a huge lumber-room littered with an overwhelming limbo of facts, ideas, notions, schemes—all the world's clutter of everyday work and activity—and let the sorting-machine sort it out. With tremendous zest it does the work. You come back after a year or so and find the lumber-room all neatly stacked with data-piles, labelled, tied-up in bundles, well indexed, and with a clear indicator with its arrow pointing either backwards or forwards. Backwards to "Nationalism," forward to "The World State." Given some other sorting-machine,

\*"The Work, Wealth and Happiness of Mankind." By H. G. Wells. (Heinemann. 10s. 6d. net.)

the same mass of facts and ideas will be sorted and labelled and indexed in some other way, by some other system, and the indicator will indicate quite differently. The Shavian Sorting Machine has already sifted and sorted much of the same stuff, docketed and labelled it all differently, according to the Shavian indicator, the Shaw *persona*.

It only needs Charlie Chaplin to take a rest from filmwork, to devote himself to the same hodge-podge of facts and ideas, and then to bring out *The Simple Film-Fan's Summary of Mankind's Social and Economic Effort*.

In other words, anyone can sort the facts and tie them up in labelled bundles according to his liking. It may be interesting, it may be amusing, it may be useful. But it does not and cannot, in itself, digest the facts, bring forth their meaning, and adduce a logical solution. The Wellsian *persona* does not simplify by a process of mental digestion, it simplifies by sorting.

Now we come to the book itself. Mr. Wells's *Work, Wealth, and Happiness of Mankind* seems to me to have only this to say for itself when all is written and read:—

"As I see the world, certain ideas and activities tend towards a future World State, while other ideas and activities seem to me to cling to, or attempt a return towards, outworn forms of nationalism. I advocate the World State as against any and every form of nationalism." That is my interpretation of what Mr. Wells is saying.

And it is in this richly emotional propagandist culture-bed that Mr. Wells is forced, willy-nilly, to sort out and examine those economic facts of our modern world with which the readers of this Review are particularly familiar.

He begins his book, not by making carefully considered definitions of "work," or "wealth," or "happiness," but in a nice, easy, comfortably conversational tone of voice (by way of Introduction): "This book is intended to be a picture of all mankind to-day, a picture of living mankind active, working, spending, making and destroying." After the Introduction, he begins: Chapter One, How Man Became an Economic Animal. §1 *Economics Is a Branch of Biology*:—

"The first thing to ask of this vast intricacy of human activities in which we live is, What as a whole is it? What is its nature? How did it arise? What do we know of its history? When and how did this world of work and wealth begin?"

Thereupon Mr. Wells plunges into historical biology, the prelude to history, and writes it all very well indeed from his particular viewpoint. We need not grumble at any of it. It is very well done.

But, of course, the first thing to ask of this vast intricacy of human activities in which we live is not a muddle of five-or-six-questions-in-one, as quoted above, but, *What are the essentials of life?*—since without these we cannot live either in "a vast intricacy" or in a primitive simplicity.

It is because Mr. Wells does not begin at the beginning, because he does not begin by stating that, *All life on this planet depends upon Food, Warmth, and Shelter*, that he is, all through this book, throughout his 800-page exposition, drifting hither and thither, amusingly, zestfully questing, cleverly bringing absurdities into close-up, and then dissolving out and out into endless expansions of delightful discursiveness.

He makes the vast intricacy in which we live as interesting and sometimes as moving and amusing as a story—a word-picture. In telling this story he is always bumping up against certain facts that would, had he started from a clearly and logically defined first premise, have led him to one certain conclusion. As it is the bumps only give a push here and there in that direction, and in a moment the



Wellsian *persona* drifts away to wider horizons, to fuller and greater and altogether more satisfying vistas of mankind's struggle towards a better and more hopeful existence "bright with the presence of as yet unimaginable things."

Even so, the Wellsian frame of reference now includes certain facts, and certain conclusions that were not there a few years ago. These particular facts and conclusions tally very closely with those upon which Major Douglas has based his analysis and proposals.

I refer particularly to Chapter Eight: *Why People Work*, and Chapter Nine: *How Work Is Paid For And Wealth Accumulated*.

Mr. Wells not only fails to define exactly what he means by the word "work," he fails absolutely to explain why people work. It is because he will not (or his *persona* cannot?) make any exact definitions that he is unable to explain what he sets out to explain.

In Chapter Nine, Mr. Wells writes:—  
"Here we have stuck to fundamental elementary considerations, and the conclusions to be drawn seem as plain as they are sound. It may appear to many that it would be a Herculean, an impossible, a 'Utopian' task to bring about any world control of currency. But since plainly the alternative is disaster, that is no reason why the task should not be discussed and attempted." (My italics.)

It would seem, therefore, that Mr. Wells does not know, or cannot understand, firstly, that there is a complete world-control of credit; and, secondly, that credit control is currency control.

Here is Mr. Wells (Chap. IX.) on currency reformers:—

"... This literature of monetary reform has some very distinctive characteristics. For the most part it has been extraordinarily superficial. Very few of those who have dealt with money have made any attempt at all to go down to its roots in psychology and material necessity. Currency reformers, as we have insisted already, have a way of beginning in the air, high in the air, even more detachedly and arbitrarily than did the old political economists. . . . Few of them approach their subject from the point of view of world interests. And also, few of them are content simply to establish a working generalisation. Usually they produce some Scheme or Plan for national, imperial, or (more rarely) universal adoption. They advance it with polemical vehemence. Few of them, except for a passing execration, take notice of the others, much less do they attempt any consideration, analysis, or criticisms of previous and competing Plans, Remedies, and New Models. Yet since many of them are active, bright-minded people, there is surely a wealth of half-truths in this enormous accumulation of suggestions and proposals. Whether that wealth is in paying quantities is less certain. There ought to be an exhaustive classification and analysis of this chaos, and whoever attempts it may count with certainty upon a special circle of enemies of exceptional pamphleteering and epistolatory power for the rest of his life." (Page 364, My italics.)

On the next page (365) is a footnote in which we read, dropping by falling star from the name of Mr. J. M. Keynes as an "outstanding" exponent of "the New Money ideas," as follows:—

"A Tract on Monetary Reform, 1923: A Treatise on Money, 1931. But let us not forget that long before the war Arthur Kitson and Silvio Gesell were writing of managed currencies, though they did not use that term, or at any rate of elastic currencies entirely freed from commodity standards, and Major Douglas was active with his 'scheme' before 1920.† See Douglas's *Economic Democracy and Credit Power and Democracy* . . ."

† Throughout, Mr. Wells uses terms without a sufficient attempt at exactitude. For example, such terms as "money," "credit," "currency"; and so we find Major Douglas bunched in with what Mr. Wells calls "currency reformers." I doubt whether Mr. Arthur Kitson can be so classified, certainly Major Douglas cannot. This kind of carelessness in the use of words has always struck me as surprising in a man who, in his earlier years, was fortunate enough to receive something of a scientific training. When,

At the end of this footnote, in discussing the ideology of Gesell and his followers, Mr. Wells says, in two significant sentences:—

"... Our whole enterprise involves a criticism and repudiation of the uncontrolled individualism of Gesell. We show that the socialisation, education, and civilisation of *Homo sapiens* is essentially the restriction of individual impulse."

Gesell, Mr. Wells thinks, would probably look upon the organised world state as "a collectivist tyranny." Again, on page 798:—

"We advance into no anarchist paradise. Progress is only possible through repression."

On page 780:—

"... The readjustment of our cash-credit arrangements, whose entanglements promise to strangle our growing prosperity, must be a world-wide, conscious undertaking to which governments must assent. You cannot introduce a new economic method in New Jersey or Denmark while the rest of the world abstains."

Regarding the Bank of International Settlements, Mr. Wells sees that "from the beginning it was impossible to ignore the wider possibilities of any such institution," and notes that "it is already growing very remarkably beyond its original functions. . . . Its possibilities are enormous. Already there are attempts to evolve side by side with it a huge investment trust to lubricate the working of national industries throughout the world," and Mr. Wells sees in the B.I.S. "a world nucleus at least as important as the League itself." (Pp. 642-3.)

These few quotations give a fair idea of the Work, Wells's general approach to the subject of "The Wealth, and Happiness of Mankind."

He is still very much concerned about "The Rich," about "profit-making" and "property ownership." In fact he is still entangled in all the old Fabian socialistic ideology that wrapped itself around his mind years ago and has now shaped itself into the vast and vague hopefulnesses connected with the "open conspiracy."

(To be Continued.)

#### THE "CITIZEN" ON MAJOR DOUGLAS.

[The West Essex *Citizen* for February published the following review of Major Douglas's *The Monopoly of Credit*. The review had the headline: "A Boycotted Reformer." The *Citizen* group of newspapers are published by the Political Committee of the London Co-operative Society.]

Major C. H. Douglas is a consulting engineer, quite a comfortably-off man who looks like a prosperous farmer. Nevertheless he has for the last twelve years been preaching the most revolutionary ideas about finance which have been rigorously boycotted by the British newspaper Press.

Yet, if his claims are true, it is possible for civilised nations rapidly to raise the standard of living, giving well-endowed leisure to everybody without interfering with the private ownership of industry.

It sounds rather like a dream; but Major Douglas argues his case closely, not only in this and other books, but also before bodies like the Macmillan Committee on Finance and Industry and the World Engineering Congress which met at Tokyo in 1929.

His analysis of existing financial practice goes to prove the inability of the productive system to distribute the whole of its costs as purchasing power. One firm can survive only if it collects the purchasing power distributed by others; one nation can survive industrially only on the same terms. Hence industrial competition, also war.

There is a curious analogy between the Douglas case and that of Marx, though their remedies are different.

In Chapter One, we find the first section headed: *Economics Is a Branch of Biology*, it seems to me that one might just as well say that Mathematics is a branch of Biology. It certainly is, from one point of view. I take it that it is easier for the Wellsian *persona* to deal with economics as a branch of biology; it has strong leanings in that direction. Mr. Wells is anxious to make economics very human and intimate. He wants to make it "come alive." But it can only be done by pretending that the numbering of things (price tickets and money tickets) is of little more importance than, and of much the same nature as, the spots, bars and markings on the wing of a magpie, or the back of a frog.

## Theatre Notes.

By John Shand.

Perhaps because I expected great things of the present production of "Othello" at the Old Vic, with Mr. Wilfred Walter as the Moor, Mr. Ralph Richardson as Iago, and Miss Edith Evans as Emilia, I was more disappointed than I need have been. But I was not the solitary disgruntled critic, coldly superior in the midst of an applauding multitude. It was clear that most of the audience felt as I did, and were not much moved when the curtain fell upon "the tragic loading of that bed" where lay Othello and Desdemona and Emilia, with the body of that unfortunate noodle Roderigo just outside to complete the tale of Iago's victim's. This was at the second performance, before an ordinary body of playgoers able to decide for themselves whether the actors were inducing the proper feeling of excitement: not the first night, at which there is always a large proportion of quite uncritical and almost hysterical Old Vic "fans," who applaud so loudly any and every production at this theatre that were all the theatrical deities in history to arrive at the New Cut to depict Shakespeare for them they could not receive a warmer welcome. Of course, I had an interesting evening, for "Othello" is Shakespeare's best play. He may have a grander theme in "Lear," more of his finest music in "Antony and Cleopatra," a more remarkable study of a single character in "Hamlet" or "Macbeth," but he never found a better story for the stage than in the tragedy of "Othello." And in so masterly a way did he keep his plot within the essentials of the theatre that it needs no excuse that it was written three hundred years ago and for a different kind of stage, but is as much the equal technically to the best constructed modern pieces as it is vastly superior to the majority of them in those more important qualities which make a work of art a joy for ever.

As a play, then, "Othello" will carry the worst company of barn actors along with it, and the Old Vic company is far from being that, although there are members of it who might take up some other profession with advantage to themselves and to Shakespeare. I have never seen a worse rendering of Desdemona than Miss Phyllis Thomas gives. I have no wish to be rude, but a principle of acting is in question, and politeness does not come into it. Miss Thomas's Desdemona is the very opposite to the character explicit and implicit in the lines. It is a pert, modern miss whom Shakespeare's Othello would not have wasted a moment with. "A maiden never bold," says her father, "Of spirit so still and quiet that her motion blush'd at herself." This Desdemona runs about the stage and when she goes to meet her husband, for whom she has relinquished father, country, and fortune, has only the superficial gaiety of a musical comedy heroine. She has no sense of style, never reminds one that she is a lady of the highest rank in Venice, and "speaks parrot" those many lovely lines to which only deep feeling in the actress can give their proper value. That marvellous scene in the fourth act where Desdemona sings her "Willow Song," a scene in which the very shadow of death falls upon the bed chamber—"Hark! who is't that knocks?—It's the wind"—and should darken with vague premonition the tones of her apparently careless chatter to Emilia—"If I do die before thee prithee shroud me In one of those same sheets"—this became merely a dull interlude before the murder. The astonishing power of this scene at once to create a feeling of almost unbearable suspense and to cast the ideal mantle of inevitability upon the dreadful deed that is to follow, so as to make it rather terrible than disgusting, was exemplified last year in the Paul Robeson production of "Othello" by the acting of Miss Sybil

Thorndike as Emilia and Miss Peggy Ashcroft as Desdemona, who both set a standard of performance for these parts which I do not expect to see surpassed—in particular Miss Thorndike's. I was truly astonished to find how weak Miss Evans's Emilia was in comparison.

Mr. Walter gives a most intelligent performance as Othello. Except that his acting almost entirely lacks the suggestion of passionate grandeur—which is the basic quality of the character—there is not much to be said against his interpretation of Othello. But this vital thing missing, what is there to say in favour of it? Othello's nature is deep, concentrated, massive. Not easily moved, he is one of those beings who must move altogether when they move at all. Therefore his wrath against his wife, when Iago has at last made him believe her false, has something of the fearfulness of natural phenomena—of an earthquake or a great storm at sea. To say that perhaps looks merely like saying Mr. Walter is not an earthquake or an angry sea; but an actor of genius—and only such a one can give a completely satisfying representation of Othello—will have something in him akin to these movements of earth and water. Mr. Walter can suggest a certain nobility of character and for his reason in the early scenes—his speech to the Venetian senators, his dismissal of Cassio, his easy conversation with Desdemona—the actor was able to give the educated, civilised side of Othello's character perfectly well. But even before the great scene in the third act there were some serious misgivings in my mind. Searched for by Desdemona's incensed parent, Iago warns Othello to seek safety until Brabantio and his raised household can be restrained, saying: "You were best go in." Mr. Walter failed to give value to the noble simplicity of Othello's "Not I. I must be found." And in the scene where Cassio is cashiered there was but the faintest hint of the passionate nature that was being controlled so firmly because once loose it was as dangerous as a wounded lion. There was no deep underwell behind the words, "Now, by heaven, My blood begins my safer guides to rule." And naturally enough, for when, in Mr. Walter's hands, that dangerous lion was loosed at last by Iago's treachery, this animal proved little better than a clothes-horse with a lion's skin over it. His visage worked strongly, his words were furious (and became telescoped into each other, a bad habit of this actor's), his frame shook with the tumult in his soul, his hands violently trembled—but the audience did not tremble. He left us almost as unmoved as though it were Snug the joiner explaining to the ladies of Theseus' court that "If I should as lion come in strife into this place, 'twere pity on my life." The murder scene was so tame it would not have given the most sensitive child the nightmare.

Mr. Richardson's Iago was more satisfactory, but it is evidently not the part in which he can best exhibit his decided talent for Shakespearean parts. His Iago did not fall into the mistake of wearing so villainous a complexion that his victims look absurd in being duped by him, he was rather too much the other way, and was, as Hazlitt said of another actor's Iago, almost "an excellent good fellow and lively bottle companion." This was an Iago who carried on his plot with too easy a sense of security. After all, he is playing for high stakes, risking his very life, and that keen excitement which is the reward of such gambling is one of the chief reasons for his machinations. One of the "clue" lines to his character is to be found at the end of that scene where he has successfully got Cassio cashiered by tricking him into a brawl. "By the mass, 'tis morning. Pleasure and action make the hours seem short." He is one of those who find the sharpest savour in life at the very edge of



safety, and yawns when he is not in action. Like Cassius in "Julius Cæsar," there should be something lean and hungry about him, and when he is in laughing mood I feel the actor should remember the awful jocularity of Judge Jeffreys.

The best performance was Mr. Robert Harris's as Cassio. He was as handsome—"framed to make women false"—as the part demanded, and he depicted very well the soldier, the scholar, and the gentleman whose life, according to Iago himself, had a daily beauty in it which made his ugly. Mr. Robert Speaight did not, as some actors do, make Roderigo too much of a fool; they that do so forget that Roderigo was a Venetian gentleman who, if somewhat lacking in wit, was well known to Lodovico and Gratiano. Besides, to make him nothing but a clown is to take away half the point of Iago's prances against him, for he uses the poor fellow as the dog on whom he first rehearses the stratagems that are to destroy Othello and Desdemona.

## The Films.

### A Comic Defence of the Censorship.

Sir Cecil Levita, whose work on the London County Council and other public bodies entitles him to speak with some authority on the matter, has lately attempted to champion our anomalous Film Censorship. In this, he has not been altogether wise, since every form of censorship functions in such a manner that its defenders cannot help giving it away. After recalling that the existing Censorship was set up in 1912 by the industry itself after the then Home Secretary had been asked to establish a State Censorship, Sir Cecil delivered himself of the opinion that "a censorship of morals is dependent on public opinion. . . . Censorship was an indefinite quantity (whatever that may mean) and must be based on the will of the people and accord with the times in which we live."

It would be difficult to beg more questions in fewer platitudes. To begin with, a censorship based purely, or even mainly, on moral grounds is not entitled to ban films for purely political reasons, or to use Star Chamber methods in order to prevent the exhibition of pictures merely because they were made in Russia. But that, although important, is a side issue. Sir Cecil made it extremely clear that the banning or licensing of films is at the unfettered discretion of a handful of people—four men and a woman—whose names, with the possible exception of the president, are unknown to the public. It would be interesting to know how such a censorship can be "dependent on public opinion," and still more interesting to know how it can be "based on the will of the people." How is the will of the people to be known, and if it were ascertainable, what guarantee is there that the Censorship would pay the slightest attention to it?

The plain fact is that the Film Censorship in this country is an autocracy working in the dark. Even if its methods and policy were above reproach, to describe it as being dependent on public opinion would be as true as to apply the same description to the governance of Tsarist Russia. The Censorship will excise from "Kameradschaft" pictures of miners bathing after their day's work—a relevant and appropriate sequence—but sanctions in almost every American film completely unnecessary pictures of men and women bathing and undressing, which are introduced solely *pour le mauvais motif*. (Whenever I see an American film I make a bet with myself as to how soon the heroine will be shown in exiguous lingerie.) So that on grounds of morality—using the word in its orthodox acceptation—

justification of the Censorship is on a shaky enough basis.

But Sir Cecil Levita's prize fantasy is that since the present system "is independent of politicians, trade, and the public," it is therefore "stronger and more independent than any State Censorship could be." Has Sir Cecil never heard of the Dramatic Censorship, which is also independent of politicians, of the theatrical industry, and of the public, but which is incomparably stronger than the Film Censorship, because it cannot continually be over-ridden by pornographic Watch Committees and Chief Constables, or set aside by local authorities?

Incidentally, if censorship is dependent on public opinion and "must be based on the will of the people," it seems rather curious to argue that independence of the public is among the excellent qualities of the Film Censorship.

### This Week's Films.

"Kameradschaft" is being continued indefinitely at the Academy, and "A Nous la Liberté" at the Rialto, facts that should suggest to commercial managers that bad films have not a monopoly of box-office attraction. "Two White Arms," an English picture produced by Eric Hakim and with an unusually strong cast, is at the Empire, and "Dance Team," with James Dunn and Sally Eilers, is in both the Regal and Pavilion programmes. The Stoll is showing "Street Scene," and "The Virtuous Wife," with Laura la Plante, is at Tussaud's.

DAVID OCKHAM.

## Music.

Undoubtedly the *clou* of the present exceedingly dull and dreary season was the visit of Monsieur Maurice Ravel at the last concert of the Royal Philharmonic Society on February 25. But when I say *clou* of this by season, I should have qualified this by saying, in the eyes of the Society—Art—snobs, for Monsieur Ravel has long since lost any artistic importance he may ever have had in the world of serious music and musicians, for to edit slightly a recent remark of Mr. Ernest Newman's apropos Stravinsky, the arty crowd are swarming to listen to him just when the musicians are dropping him. The new piano concerto which was played on this occasion is merely the furthest point yet reached in that long-protracted process of dessication that has been going on in Ravel's work ever since the Trio, which marked the end of his career as a musician, anything more than purely local importance, described this process as one of dessication, because the particular spiritual dryness that has always been the supremely distinguishing mark of Ravel's talent, at its best a very delicate and delicious one, precludes in the very nature of things, delicescence, which is the more normal if admittedly less engaging manifestation of the process.

But whereas others, as for instance, Strauss, even in partial putrescence, manage to preserve some vestiges of their former technical command, Ravel seems to have lost all the fineness of craftsmanship for which he was once so remarkable, in fact the crudity and childishness of the workmanship of the concerto are inexplicable without postulating a decline so marked that one is tempted to suggest that it is pathological. Sterility and emptiness pitifully disguised under a handful of threadbare tricks borrowed from the *dance-music* (?) mangers, tricks so feeble that even their originators are or have discarded them, an invention so utterly jejune that it is compelled to have recourse to the saccharinities of Monsieur Camille Saint-Saëns, this presumably, being the premonitory symptoms of that "vague de tendresse" which is to be the very latest, newest, most "modern" development of the

week after next. Even the once brilliant command of key-board technique is no longer to be found in the piano part of the concerto, which at least we had been entitled to expect from certain remarks the composer himself has let drop in interviews during the past few years, in which on one occasion he said that his idea of the piano-concerto was that exemplified in the Chopin concertos. Instead of which, we are given piano-writing of the school of Clementi at his worst.

But in an inept work, easily the most inept is the slow movement: a long spineless melody of such fatuity that one would scarcely hope or indeed expect to find worse in Lefebure-Wely or Scotson-Clark, plus a few trickling arpeggio figures makes up the whole of the movement. The Finale is only a bright scrappy noise, consisting of a handful of wholly contemptible bits from the composer's rag-bag. Mlle. Marguerite Long, the pianist and dedicatee, cleverly created the impression of being engaged on the performance of a work of immense importance; she is worthy the dedication not merely of better works but deserves to be allowed to play them at such important occasions as the Royal Philharmonic Society's concerts: indeed she is one of the best women pianists of the day, and immensely superior to most of our dreadful young women over here.

### B.B.C. Concerts. Sunday, February 28.

A marvellous performance by that magnificent artist, Lamond, of the "Totentanz" of Liszt, all the sinister macabre quality of this wonderful composition was splendidly realised. Lamond is a conspicuous example of a really great artist inadequately appreciated in England: for it is no proper recognition of an artist of Lamond's greatness to praise him, and then in the same breath to mention individuals who by the side of a pianist of such eminence do not even begin to enter into the category, for no more adequate reason than that they also happen to be British subjects. Our "Buy British" propagandists have not yet arrived at a realisation of the fact that their best service to their country's honour as a producer of artists is to do their utmost to prevent the world of music at large from noticing that certain people who shall be nameless, were produced by their unfortunate country.

In the same programme was an attractive early work of Prokofieff "Ala et Lolly" which was the most satisfying work of this composer that I ever remember to have heard. It shows an imaginative inventiveness that does not give any signs of persisting in any later composition of Prokofieff with which I am acquainted.

KAIKHOSRU SORABJI.

## The Leisure Society's Meeting.

### COMMENTS AND REFLECTIONS.

By Arthur Brenton.

The enterprise of the Leisure Society in promoting last Friday's public meeting was rewarded by an attendance of over 350 and a collection which covered the cost of production. So far as I am aware, the only advertising done, with the exception of the notice in this journal, was the distribution of handbills by volunteers. It shows the increasing drawing-power of the Social Credit Theorem; and I think that one of the main reasons for this is that people are coming to want to believe that there is a way out of this economic trouble that does not involve class-cleavages. When we declare to them that Finance is the First Cause of Economic Failures and Social Discontents we are thereby declaring also the possibility of formulating a practical policy based on social reconciliation. The lack of money is the root of all enmity: and it is a nice question whether people are not as tired of political quarrels as they are of economic scarcity. The word "amity" appeals to moral sentiments; and the word "affluence" to material desires; and therefore there is bound to be something dynamic in the appeal of a proposition that holds out the reasoned hope

of an amicable attainment to affluence by the whole community.

I could not help noticing, in the case of several elderly, thoughtful-looking men near me in the audience, that what set them nodding was not the speaker's account of the bankers' errors, nor his technical explanation of the remedy, but it was his arguments showing that the prevailing enmities arising out of economic problems are misdirected; and that smash-and-grab impeachments of the moral integrity of one party by another are worse than futile.

Some little Socialist flapper in the lobby after the meeting said: "Major Douglas is no good: he's not dynamic." Presumably because he did not explode! I was reminded of a story told me by a friend how he took his niece to hear Major Douglas. Asked afterwards what were her impressions, she said: "I don't know why, but what he said was so right that I could have hit him." There is, indeed, some mysterious element in the Social Credit Theorem that seems to create irritation among reformers out of all proportion to any specific provocation offered. There was one gentleman in the hall who got up and allowed it to be understood that he had about a dozen questions to ask. He had an impediment in his speech which might have been caused by his mannerism of pointing a hooked forefinger at the chairman and waving it up and down with a hedge-pruning action so that in fancy I could see his fingernail keep catching in the outflow of eloquence. Probably it punctured the questions—for I never heard one come out. Major Douglas confessed to the audience that he had one defect as a platform-speaker, namely, that when anybody asked a question and elaborated it in a speech, he (Major Douglas) became so intent on following the speech that he forgot the question. His reply to one heckler was: "The questioner is so obviously able to answer his own question that there is no need for me to reply to it."

Surveying this meeting, and also that which was held the previous week, it seems to me that it might be worth while for Social Credit supporters who promote and manage public meetings to get together one day and see if there isn't some way of hammering out a technique for the conduct of "question-time." One does not want to organise the hecklers, but one does want to make easier the task of the speaker and the majority of the audience. There are two possible methods that occur to me. One is to arrange and announce that the main speech will be on a particular and specified aspect of Social Credit—i.e., technical, or political, or moral, and so on. In that case the hecklers could be told that questions irrelevant to the chosen aspect would be disallowed. The other plan is to let the speech be general, but to arrange as far as possible for getting questions sorted into aspect-groups and asked in some order. Both speaker and listeners would find it much less strain on their minds if groups of questions came under one frame of reference at a time. At present there is such an intercrossing of frames of reference that nearly every question jolts everybody right out of the trail of reflection blazed by previous one. For instance, take such a sequence as the following: "How will grandma get her dividend?"—"Aren't the landlords at the bottom of the trouble?"—"What about the burden of armaments?"—"How do banks create credit?"—"How will you deal with an economic blockade?"—"How can the old lady in the sweet-shop keep records of price-discounts?"—"How will you get people to work?"—"How do you propose to kick the bankers out?"—"Is leisure desirable?"—"What well-known authorities have publicly approved Major Douglas's theories?" (That's an easy one, though!) It seems that with a little direction from the platform at the beginning of question-time, one could get such questions asked in a better order than set out above, without "Fabianising" the style of the audience.

### Profiteering.

The Bonar Law College, near Berkhamsted, announces a special course of lectures on Reparations. Lecturers include Blackett, Clive, and Stanley. The fee for the course (March 18-21) is Two Pounds.

### The Loony Dean.

"The losses in the Great War had prevented a social revolution and the death of many millions by famine, but it had not gone far enough to remove the danger of over-population." (Dean Inge at Doncaster: *Irish Times* report, January 20). Never mind. Someone's sure to invent a glut-destroyer: then we can clear out the food to let in the babies. There is room for dinners: or room for diners: but not room for both—even though the diners have room for the dinners. It's a profound mystery.



## Communication.

### Dr. Eisler's Credentials.

Sir,—My attention has been drawn to the articles in the two issues of February 25 and March 3 of THE NEW AGE, dealing with Dr. Robert Eisler's monetary reform proposals, as advocated before the House of Commons Finance Committee.

You infer from the similarity of verbal expression of the Press reports on Dr. Eisler's Address in *The Times*, *The Observer*, and *The Daily Telegraph*—surely a most natural phenomenon in reports which are all based on the shorthand records of the same speech—that the author is making "permutations and combinations" from a "book of words" every time he comes on the stage, and that he has strictly to observe "some whispered observation from the wings."

May I be allowed to call your attention, and that of your readers, to the fact that this mysterious "book of words" has been available for everybody for one shilling at any book shop ever since my firm published it in November, 1931. It was sent for review to THE NEW AGE as well as to all other important dailies and weeklies.

Your hypothesis that it may be "the product of other brains than, or other brains as well as Dr. Eisler's"—"indeed, of the most astute and ingenious brains that money can buy" is correct only in so far as that the Preface to this book, on "the first necessity for thinking on social questions" has been written by Sir Josiah Stamp, well known as perhaps the greatest monetary expert among the directors of the Bank of England, while the Foreword presenting Dr. Eisler to the British public, was written by Sir Thomas Barclay, former President of the British Chamber of Commerce in Paris, for many years Paris financial correspondent of *The Times*, a world-famous international lawyer and economist.

Had you chosen to turn to this source of authentic information, you would have seen that what you call Dr. Eisler's "eminence as a public man" rests not only "on classical scholarship." As the banker, Grote, who wrote the famous "History of Greece," as the late Mr. Walter Leaf, as Mr. Daniel Seruys, of Lazard Frères and Cie., Dr. Eisler is indeed a classical scholar of wide renown, as well as distinguished Orientalist who has contributed important work to the Journal of the Royal Asiatic Society, and deciphered the Sinai inscriptions discovered by Sir William Flinders Petrie in 1904. He is a celebrated historian of Christian Origins, whose book, "The Messiah Jesus," created a sensation in 1929. None the less he has won equal distinction as the author of a standard work on the relative and subjective character of values (published in Leipzig in 1902), and of the first general history of the monetary system "from the cowrie-shell to compensated currency expansion" (Munich, 1924)—a standard work which has been translated into French and will be published in an English version, a book which nobody could have attempted to write who did not combine a full mastery of classical and oriental philologies with an equal insight into monetary theory and practice.

Dr. Eisler acquired this knowledge as a personal disciple of two great Austrian economists, the late Finance Minister, von Boehm-Bewerk and Carl Menger—one of the earliest advocates of the necessity for a stable money system—as well as through his family relations with one of the most important private banking firms of Central Europe, which financed, among other enterprises, the Vienna Tramways and the St. Gotthard Tunnel.

As to your doubts concerning Dr. Eisler's technical training or experience in banking and monetary matters, it will be sufficient to quote the words of Sir Thomas Barclay's foreword congratulating the reader on getting for once reliable inside information from an author belonging to the small circle of those who know and who do not usually write for the benefit of the ignorant. It was because of his book on monetary history and his London and Oxford Lectures on the subject that Dr. Eisler was called to Paris in 1925 at the instance of Professors Gilbert Murray and Albert Einstein as a League of Nations Officer.

As to your guess that "this plan has been cooking for at least six months and probably nearer twelve" you will find in the preface of the enlarged French edition of Dr. Eisler's book that he has indeed been lecturing about this scheme of international monetary reconstruction and compensated expansion as early as in October, 1930—foretelling ever since this date the breakdown of the gold standard—in Vienna, Prague (at the special invitation of the Czechoslovakian Finance Minister, Mr. Charles English), Geneva at the University Institute of International Studies, in Basle before the officers of the Bank of International Settlements,

in Paris at the Carnegie Institute for Peace, and in London at the Royal Institute of International Affairs. If you wish to know why all these lectures had such a far-reaching influence on his various audiences, you will do well to consult what Sir Michael Sadler, the Master of University College, wrote in the *Oxford Magazine* of January 28, 1932, p. 348, on Dr. Eisler's lecture at Rhodes Hall: "For nearly two hours the attention of his hearers was riveted on Dr. Eisler's exposition. In technique, artistry, and intellectual power the performance was on the level of Schnabel's playing of Beethoven's Diabelli Variations two nights before. The pattern of the complicated arguments was as plain as a printed diagram. Not a tone, not a note was wrong. The speaker's intellectual integrity restrained his deep emotion. But throughout the lecture there was a prophetic strain. It was an astonishing feat of analysis, criticism, insight, and forecast."

Perhaps your readers will accept this testimonial of one of England's greatest scholars as a sufficient explanation of the fact—which is indeed without precedent in the history of our Parliament—that "a gentleman from Vienna can come and get a respectful hearing"—indeed an almost enthusiastic reception, given to the expert who first launched on September 29, 1931, a plan for an "Empire Currency" scheme—from the Finance Committee of the House of Commons and a considerable number of members of the House of Lords.

Do you really think it necessary to resort to the fantastic hypothesis of a world-wide conspiracy of "the bankers" to explain the fact that a former high official of the League of Nations of such qualifications, a "wizard in the art of persuasion," as Lord Hunsdon described him to a friend of ours, was invited to address the representatives of the British people in spite of insular prejudice, to which you appeal when you write that the injunction "Buy British" should "surely apply to schemes of reform as well as to commodities"?

You ask (No. 2059, p. 194): "Who are the interests who are starrng and presenting this performer? Who is producing the Eisler drama—and why?"

We can oblige you with a straightforward and complete answer to these questions. We—and all those who have helped Dr. Eisler to get the hearing he desired and, in our opinion, deserved to get, have stood by him because we considered it a matter of national importance to assist a man who has rendered yeoman's service to the British Empire in one of the darkest moments of our financial history, and is still a most valuable ally in our struggle against the deflationist policy of our powerful adversaries. We have, therefore, no objection to letting you have a complete list of the persons who were instrumental in arranging Dr. Eisler's various public appearances in England.

His Oxford lectures were suggested to Sir Michael Sadler and the curators of Barnett House by Dr. Ward, director of the British University Institute in Paris. His address to the Royal Institute of International Affairs was first proposed in 1931 to its Lecture Committee by Viscount d'Abernon—himself a prominent member of the League and practice—and by the Austrian Minister in London, Baron Frankenstein, who gave a luncheon at the Legation in order to present Dr. Eisler to prominent members of the City and City editors of the London Press. A dinner in honour of Dr. Eisler was given before this lecture by Sir Roderick Jones, chairman of Reuter's, Sir Roderick took and Glenconna, and Sir Basil Blackett. The vote of thanks proposed at this lecture, Sir Basil led the discussion, Commander Kenworthy seconded the vote of thanks before the chairman. Dr. Eisler's lecture before the Silver Association was presided over by Mr. Clive Baillieu. Sir Arthur proposed before the Parliamentary Finance Committee, by Sir Arnold Wilson, late High Commissioner of Mesopotamia, chairman of the Anglo-Persian Oil Company. The vote of thanks was moved by Mr. Amery. A dinner at the Steel-Maitland took the chair for Dr. Eisler, who was presented to the Committee by Sir Robert Horne. The guests of thanks was moved by Mr. Amery. A dinner at the Athenaeum Club—of which Dr. Eisler was elected an honorary member—was given for him to address the guests, present by Sir Arnold Wilson, Captain Hungerford Pollen, Foreign Office, and Mr. Marc Barr. Another dinner, at Brook's Club, was given by Mr. Arthur Hungerford Pollen, of the Birmingham Small Arms Co., and the Linotype Co. Among the guests were Viscount Peel, Lord Camrose, Sir Edward Iliffe, Sir Robert Hardfield, Mr. Harold Cox, Mr. Hartley Withers, Mr. Benjamin Guinness, and other prominent bankers.

It is, of course, quite true that Dr. Eisler's plan does not in the least involve anything like Major Douglas's proposal to "withdraw directorial powers from the banks in matters of public policy." Dr. Eisler would consider such

## LETTERS TO THE EDITOR.

### RENE CLAIR AND SOCIAL CREDIT.

Sir,—Mr. M. Francis chides me for my "curious omission" in failing to point out that the theme of "A Nous la Liberté" is of special interest to readers of THE NEW AGE. I have not the slightest idea of René Clair's political or economic beliefs—although I imagine him to be something of a philosophical Anarchist—but since I specifically described the incidents in this film to which Mr. Francis draws attention, it seemed unnecessary to dot the i's and cross the t's. It certainly seemed unnecessary to do so when addressing myself to readers of THE NEW AGE.—  
DAVID OCKHAM.

### CITY RUMOUR RE BANK OF ENGLAND.

Sir,—It is not surprising to hear this rumour, for it does seem a little odd that the Bank of England should have chosen to display the symbol of Mercury, the god of thieving and of other more than doubtful occupations. The use of the Caduceus by the R.A.M.C. is probably symbolic of Aesculapius, and, in that sense, it is appropriate to that Corps, but not to the Bank.

Although it is difficult to understand why the Bank chose this symbol it probably has the right to display that which cannot be said to be the exclusive property of the R.A.M.C.

The case of the three Royal Lions on the left hand door is different, for those are, or have been hitherto, exclusively the Sovereign's.  
ARTHUR WELFORD.

### FINANCIAL REFORMERS.

Sir,—I am inclined to think that a book on the Pioneers of Monetary Reform such as Mr. T. V. Holmes suggests would have to be of portentous length to do justice to those who have made proposals since the days when, in the modern world, monetary theory began with the generalisation that Bad Money drives out Good, made by Bishop Nicholas Oresme in the XIVth century. Attempts to get a satisfactory money system since then can, I think, be classified as follows: (1) Sound Money, to prevent currency being clipped, alloyed, or otherwise deteriorated by Government or private persons; (2) Sufficient Money (a) of metal, represented in these latter days by the Bimetallists, (b) of paper, to be issued by Government in sufficient quantities to maintain a brisk state of trade. The paper money advocates seem to fall into two main groups. That which proposed to make land or some other communal asset the basis of issue, such as John Law and the theorists behind the *assignats* of the French Revolution; and that which would take trade needs as shown by bills of exchange, etc., which needed discounting, among whom I suppose Mr. Kitson is to be classed. (3) Free Banking, by which associations might embark at their discretion on credit issue without substantial let or hindrance. Mr. Henry Meulen and Mr. C. P. Isaac, are, I suppose, the most important English advocates of this. (4) Price-level Stabilisers, of whom the modern begetter is Professor Irving Fisher. (5) Systematic Depreciation as a means of promoting trade activity, proposed by Silvio Gesell forty years ago, and in the last few days expounded by Sir Stafford Cripps to the Society for Socialist Inquiry and Propaganda (just the sort of semi-antiquity they would inquire into, probably not being able to recognise inflation when they see it). Now the characteristic common to all these classes of proposals is that a small dose of the measures they propose would do no harm and might do good, but a large dose of any of them would do no good and would mostly do a lot of harm. Such merits as they possess are thoroughly smothered by their demerits. And that is one reason for paying no attention to schemes for gathering up all brands of Monetary Reformers into one alliance. The other is the fundamental one that they do not deal with the essential problem imposed by the conflict between modern technology and anachronistic finance as we have it.

I have never come across any anticipation of Major Douglas's propositions about Price and the operations of bank credit. The nearest thing was the suggestion put out by a writer named Johansen that in times of depression firms should sell below their costs of production, but I cannot recall what were the principles on which he based this nor how it was to be done except as a temporary measure, nor how they were to avoid bankruptcy if they continued it. There is a brief account of his dodge, for that is what it seems to have been, in the beginning of C. Wesley Mitchell's monumental work on the Trade Cycle, a descriptive effort which leads nowhere. And when some of the tame professors went about saying that Douglas were merely Attwood rewritten, they merely showed that they didn't understand Douglas and probably didn't understand Attwood either. (He was a Birmingham banker a century ago.) In short, Douglas suffers from the defect in professorial eyes that he

a proposal quixotic and absurd. In its social aspect, his scheme is ultra-conservative, in spite of its technically revolutionary character. He wants to preserve and to perfect and not to upset the technical machinery of capitalism, to defend the existing social order by technical reconstruction and not by propaganda against the bogey of the Five Years Plan, which you mobilise on p. 195 against his scheme.

It is untrue that Dr. Eisler's principle involves the idea "that incomes can only be distributed for work done." In public discussion with Sir Basil Blackett, Dr. Eisler has pointed out that he is not interested in St. Paul's socialist principle, "he who does not work shall not eat." On the contrary, he wants to maintain for ever the incomes from pre-accumulated purchase power (the rentier's saved or inherited income). On p. 11 of his book, "This Money Maze," he has said in a foot-note that "fortunately, in spite of all that has been said to the contrary, there are still unearned incomes." He has said in our presence before the Royal Institute of International Affairs, that he has no intention of robbing the leisured classes of their leisure, but to give more leisure through constantly growing real wages for work done to those who are at present either overworked or unemployed.

As a scientific man, Dr. Eisler has as much right to his well-founded opinions as Major Douglas has to his utopian ideas that "something for nothing" should be given to the "have-nots" by taking away from those who have. He is not immediately interested in the moral aspects of economic life, but seeks as a technician for an optimum to be achieved with a minimum of friction along the line of least political resistance. This is why he does not choose to advocate anything like the Douglas plan, which he has known and studied ever since the first publications of its author. As a historian of monetary reform propositions he has been consistently fair to Major Douglas. In a drawing-room lecture for Sir William Rothenstein's guests, Dr. Eisler said to Mrs. Ellis Roberts, hitherto an ardent Douglasite, that he would not in any way endorse Mr. Cole's statement in "The New Statesman" that "Douglasism was mostly nonsense"; one might as well say that the Ptolemaic system is "mostly nonsense" because we have learned to transform it by certain equations into the Copernican and Einstein systems, which latter, in its turn, has recently been modified by its author and other physicists. Dr. Eisler considers his solution of the Stable Money Problem as an application of modern Relativism to economics and as by no means heterodox; it is indeed nothing but the consequent relativist development of the classic Austrian Quantity Theory of Money. He claims no inventor's patent or priority, and is—as behoves a historian—most scrupulous in enumerating his predecessors, from Lombardy merchants and Hamburg bankers to Massachusetts' Bay colonists (1747).

It is therefore amusing to see him presented by your paper as a man of straw and the spokesman of a supposed world-wide conspiracy of "international finance." It is so obvious that so far from being the tool of "the bankers," his task is to convince them that what the world need will profit them as well as all employers and wage-earners.

As you have already devoted so much space to "the staging of the Eisler drama," perhaps you will, in fairness to all concerned, be good enough to give publicity to this letter so that your readers will be in a position to form an unbiased judgment on the merits of the case.—Yours faithfully,  
E. J. LANGFORD GARSTIN.  
(Managing Director, the Search Publishing Co., Ltd.)

## DINNER.

A Dinner has been arranged to be held at FRASCATTI'S Restaurant, Oxford Street, on Saturday, April 9. Auspices, arrangements, and speakers will be announced next week.



has no history and consequently affords no opportunities for historical essays and offends against the Dogma of Necessity for Evolution.

If we stretch Monetary Reform to include manipulations of accepted Credit methods for social amelioration we can mention those who want taxation to prevent overmuch saving, among whom Mr. J. A. Hobson's is the best known. And there have always been those whose object has been the abolition or strict limitation of interest. But properly speaking, they are social and not financial reformers. And the same applies, I think, to those who say they want to abolish profits. They are all agreed that Finance as we have it is essentially sound, but that the use people make of it is partly wrong, whereas Social Credit affirms that Finance is essentially unsound, and consequently it is irrelevant and worse to treat the consequences of its unsoundness as problems in themselves.

HILDERIC COUSENS.

Holly School, Sheringham.

#### AUSTRALIAN AFFAIRS.

Sir,—I am sending you a copy of *The Labour Daily*, wherein is given a full account of a speech made by our Mr. Lang, Premier of N.S. Wales.

The occasion was at a by-election for the East Sydney Federal seat, rendered vacant by the death of Mr. Clasby, who was elected December 19, 1931, as a supporter of Lyons.

As to how sound is Mr. Lang's knowledge of the ultimate fundamentals of Social Credit I have been unable to gauge. I have communicated with Mr. Lang on many occasions.

But this I feel is fundamental: Mr. Lang is offering a disconcerting resistance to the dictates of Finance.

Consequently, Mr. Lang has long been subject to violent and unmeasured Press criticism.

I might state that Mr. Lang's audience on this occasion was about 12,000—and the enthusiasm of support was intense and unanimous.

The white heat of enthusiasm was reached when Mr. Lang referred to the newspapers. He said: "Unpopular as the Lyons-Bruce policy may be, granted the continued support of the Press, Mr. Bruce can carry it out. We can deal with the Lyons Government; but to deal with the Press is your task. Do not curse the Press; simply do not buy it."

This evoked immense enthusiasm. I might say that the report of this meeting was disposed of by the *Sydney Morning Herald* by inconspicuous four-inch Press comment.

I cannot close this note without expressing ardent admiration for THE NEW AGE. Its uncanny power to penetrate into the motives which underlie the varied activities of the Financiers and their supporting Press; its ability in gathering together activities which on the surface appear to be quite unrelated, and in showing the diabolical "Will to Scarcity" actuating them all; to note how the future actions of those who have enslaved us, are so accurately forecasted—all this fills me with enthusiasm for our cause and gratitude to your wonderful journal.

JOHN M. MACARA.

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