

THE NEW AGE

INCORPORATING "CREDIT POWER."

A WEEKLY REVIEW OF POLITICS, LITERATURE AND ART

No. 2068] NEW SERIES Vol. L. No. 26. THURSDAY, APRIL 28, 1932. [Registered at the G.P.O. as a Newspaper.] SEVENPENCE

CONTENTS.

	PAGE		PAGE
NOTES OF THE WEEK	301	MUSIC. By Kaikhosru Sorabji	309
The "Kreuger" frauds paralleled with banking frauds—the differentiation between licensed and unlicensed liars.		The City String Players. Mme. d'Alvarez.	
ST. MARYLEBONE ELECTION. By John Grimm	305	THE FILMS. By David Ockham	310
Sir Basil Blackett's credentials.		Studies in personality. <i>The Silent Voice, Mata Hari.</i>	
BEAVERBROOK AND THE CO-OPERATIVE PARTY. (Editorial)	306	"DOUGLAS PROPAGANDA." By J. C. N.	310
AUSTRALIAN AFFAIRS. (Editorial)	307	MR. ANDREW MELLON. Biographical notes	311
The New South Wales petition to the King for the dissolution of the State Parliament.		CORRESPONDENCE	311
THEATRE NOTES. By John Shand	308	Kaikhosru Sorabji, J. C. Bayley, D. E.	
Coleridge and censorship. <i>What You Like. Vile Bodies. Musical Chairs. Hamlet (Old Vic.).</i>		CARTOON. By "Jot."	312

NOTES OF THE WEEK.

A convenient summary of Ivar Kreuger's manipulation of money and accounts appears in the *Daily Mail* of April 19, with comments by its City Editor. The losses involved are computed so far to be something over £111 millions. (France £50 m., U.S.A. £45 m., Sweden £16 m.).

It is one of the most powerful indictments of the financial system now ruling us that Mr. Kreuger (a) found it necessary to resort to these deceptions; and (b) been able to practise them so long, and on such a vast scale.

The causes involved in the first part of the indictment are only to be clearly realised by students of Major Douglas's credit analysis, particularly the A + B Theorem, or, as we may truly call it, the "Credit-Leakage Theorem." When once the fact is accepted that there is a universal, automatic, continuous and invisible leakage going on during the normal and lawful processes of spending and accounting credit, then the stability of world-prices, whether of securities on the one hand, or industrial products on the other, depends for its maintenance upon some action being taken either (a) to stop the leakage or (b) to compensate the loss caused by the leakage. It is possible to design a method based on Social Credit principles which will prevent such leakage; but because of the more troublesome administrative work involved in such policy, Social Credit opinion favours the policy of compensation.

But the right of taking either action is reserved by law for the banking monopoly. They possess that right because Parliament has more or less absentmindedly let the power slip into their hands. If they had to compensate the leakage fully and continuously (and that is essential if the stability of individual interests in the economic system is to be maintained) they would deprive themselves of the power to regulate the affairs of the world. And it is the exercise of this regulative power, not the power

to make profits, which they wish to reserve exclusively to themselves. Their wish has been gradually and invisibly insinuated into the structure of the law, with the result that there is to-day no effective technical method of stopping the leakage or compensating it which would not be found to be illegal if adopted by anybody but themselves.

Major Douglas put the case as follows in a recent address in Southampton (reported in the *Southern Daily Echo* of April 5):—

"I could, without the slightest difficulty, place before Southampton a scheme which would

- Abolish taxation,
- Abolish poverty,
- Increase leisure,
- Increase the opportunities for education,
- and would bring the economic millennium to Southampton within a week."

This remarkable statement was made by Major C. H. Douglas, the well-known economist, at a meeting held in the Central Hall last night under the auspices of the Southampton Economic Movement.

Unfortunately there was a reservation. "If you were to start to take steps to produce those results," he said, "you would find that you were 'breaking the law'—as the phrase goes. You would find that for hundreds of years past—at any rate for the last 200 years—the very best brains, probably, not only of this country but of the world, have been steadily inserting into the legal system all sorts of little things which probably were never understood by the Houses of Parliament which passed them, and which prevent you, at least without the greatest difficulty, doing all those things which would enable you to solve your problem."

The leakage is masked by the accounting system—the detective department of the economic system which is supposed to discover deficits of all sorts! And in fact it does do so in respect of all deficits caused by the main leakage, but does not disclose the leakage itself. Thus, it can tell you to a penny by what margin a firm like Vickers, or Armstrongs, has failed to recover its proven expenditure, but it can tell you nothing even of the fact—let alone the figures involved—that the failure in these particular cases ultimately proceeds from the failure of the whole world to recover its collective Cost in collec-

Price. The world-shortage of credit splits up, and the fragments float at random like clots of blood along the arteries of world commerce until, sooner or later, and one by one, traders, companies, even nations, stagger and fall in the throes of financial extinction. Over this slaughter of economic enterprise preside the credit monopolists. They are like doctors who, by deliberately refraining from stopping infection at its source, were to make themselves appear indispensable to the frightened population; and who, with the authority derived from this deception, proceeded to impose any sort of habit, exercise, diet or treatment they wished on patients and prospective patients alike. Going into business is worse than going on a racecourse: for however money changes hands on the course the same amount leaves the course as is brought there; whereas, in the economic world, credits are continuously being destroyed by the bankers while the borrowers are at the same time laid under the obligation to count them as costs and to recover the equivalent credits from consumers on pain of extinction if they do not.

It is against this background of deception and intrigue that Mr. Kreuger's offences must be viewed. Comprehensively, and in principle, he was usurping the prerogatives of the credit monopolists and adopting methods of compensating the leakage from the world-pool of credit. Be his motive what it may, that was the nature of his action. Further, the action resulted in compensation being secured.

"What did he do with the money?" asks the *Daily Mail's* City Editor. A more useful question would have been: "Where did he get the money?" And the answer is that he deceived the banks into putting new credits into circulation, or into refraining from retiring credits from circulation—either of which acts meant that the world in general enjoyed the use of more credit than it would have been permitted to use otherwise. Kreuger's deception had the result of partly slowing down the leak and partly compensating it. Put briefly, he contrived to keep the credit in the world-reservoir at a higher level than the banks would have permitted. One may compute that something like £100 millions came out into circulation and remained out until the recent tragedy occurred in Paris. The City Editor's question: "What did he do with the money?" is a stupid one if "the money" means the losses represented by the above computation, for the money put out by the banks would not necessarily all go into Kreuger's hands, but into the hands of investors who held Kreuger stock as borrowings on the security of that stock. Notice that while it is true in one sense to speak in the past tense and say that Kreuger has inflicted losses on stockholders, the essential truth is that the bankers are in process of inflicting those losses—i.e., calling in loans as fast as they can in accordance with the marked-down values of the stock. The injury is not the natural consequence of Mr. Kreuger's action, it is the natural consequence of the bankers' reversal of the action. And even if not, it must be remembered that the losses inflicted by the depreciation of a particular block of securities, must be offset by the previous gains accruing from the appreciation of securities in general caused by the existence of the extra credit which the banks left in circulation as a result of Mr. Kreuger's deception. That is to say, supposing that the holdings of the Kreuger stock were at present equally distributed over the whole body of investors, it could be truthfully said to them that Mr. Kreuger had secured for them command or use of £100 millions more credit than they would have had if he had frankly disclosed the state of his finances. As it is, the present losers are not the same people as the past gainers, and the

few have now to suffer for the previous benefits of the many. In strict justice the loss should be equally spread over the world investment-markets, because the credits Kreuger obtained, or enabled others to obtain, were re-spent, and gradually diffused throughout the world, thus, in theory, causing an imperceptible appreciation of every sort of security or of products, according to the particular uses made of the money. But, under the existing rules of finance, the last buyer has to hold the baby, and we can only hope that the brunt of this £100 millions loss will fall upon banks and insurance institutions, for their reserves can stand the impact.

Reverting for a while to the subject of "leakage-regulation" by the bankers, we have just come across an item of news which deserves recording. It is in *The Times* of April 18, and comes from a New York Correspondent (the internal evidence of the quoted phrases shows him to be a banker or a banker's tout) who reports a "favourable change in financial sentiment" at the week-end "after the security markets had plumbed the depths of discouragement;" and that the Federal Reserve Banks have decided to "take advantage" of the "protection offered them" by the Glass-Steagall Act "and 'boldly combat' further deflation of credit by heavy weekly purchases of Government securities. The reasons for this favourable change in financial sentiment are: (a) because the support in Congress for the distribution of the Soldiers' Bonus is waning, whereas 'a week ago' Congress seemed to be 'doing everything possible to weaken public confidence'; (b) because Senator Glass's Bill to deal with banking has been modified so that it is no longer an 'instrument of castigation,' but one of 'wholesome improvements in banking practice,' now having the approval of the leading bankers and economists of the country and of the Federal Reserve authorities." There has been a "removal" from the Glass Bill of "such provisions" in it as were "inimical to an early business recovery."

In this report are embodied or reflected the main factors described in our previous analysis: namely (a) the leakage left uncompensated; i.e., the banks' previous policy of discontinuing loans or purchases, whereupon the depression of security values set in; (b) the leakage now partially compensated; i.e., the banks' decision to buy securities, thus issuing more credit into circulation; (c) the banks' power to regulate the leakage exemplified; i.e., the regulation here being explicitly related by the Correspondent to "financial sentiment"; (d) the consequential political bargaining power of the regulators of the leakage; i.e., as reflected in the waning of support for the Soldiers' Bonus Bill, and the emasculation of the Glass Bill to regulate the activities of the regulators! and lastly (e) the manifest ignorance of the U.S.A. politicians and public of what the ebb and flow of "favourable financial sentiment" really mean, illustrating the Hibernian truth that the banks are able to manufacture natural phenomena in the money-markets, stock-markets and any other markets.

Supposing you have a bucket of water which leaks, but do not know it leaks, if the level were to sink without your having drawn any water out, loss by evaporation. And if somebody else, unperceived by you, introduced fresh supplies through the bottom of the bucket, you would have to ascribe the phenomenon of the rise in the water-level to, let us say, the reversal of the evaporation, i.e., a fall of rain. In such case the ebb and flow would appear as Acts of God in your philosophy; and since you would conceive of God as a God of Justice, of Mercy, and, above

all, of Love, you would naturally regard His "unkind" Acts as evoked by your disobedience, and His kind Acts by your obedience, to His will. Thus it inevitably comes about that, as seen in the above report, a gang of water-manipulators are able to impose a code of behaviour on a whole population to further their own ambitions. And so, all over the world, while the sun, winds, and rains are incessantly declaring the Divine decree: "Let the earth bring forth abundantly" we see water-gazing populations busily destroying coffee, wheat, cotton, and other means of innocent well-being in the hope that God will revive "favourable financial sentiment" and fill up their poor little buckets once more.

The *Daily Mail's* City Editor artlessly underlines the second part of the indictment formulated at the beginning of our remarks, namely that Finance is unable to detect gross abuses of its own rules. For in the course of explaining how Mr. Kreuger evaded discovery for so long we find him adducing the main devices which we, in these columns, have charged the bankers with employing for their own purposes. Here is his list (the quoted words are his):

(1) He (Kreuger) made use of his own "personality" to engender confidence.

(2) He made it his rule to "keep his own counsel."

(3) He could always advance "plausible excuses" for secrecy.

(4) In cases where his excuses met with incredulity, there are "blackmail theories" hinted at to account for his immunity from attack.

By these means—all of them legally impeccable when the bankers use them—Mr. Kreuger was able to do what they are doing, preserve the prestige and stability of the combine he was running. In the amusing language of the City Editor:

"Kreuger employed unbelievable methods in bolstering up what, it now transpires, was an inverted financial pyramid—with the point at its base—in a foundation composed of the quicksands of deception and forgery."

He appears to mean that Mr. Kreuger turned the rules upside down. If he means the rules imposed by bankers on industrialists he is right. But if he means the rules which bankers observe themselves, he is wrong. Looked at against the Social-Credit background, the pyramid of orthodox financial values is seen to be itself inverted; so Mr. Kreuger's alleged re-inversion would mean that his pyramid was right way up in terms of values. And it is not mere coincidence that in the article we are discussing a headline is set out as follows referring to Mr. Kreuger's policy: "Matches Sold At Under Cost." Mr. Kreuger followed the excellent practical rule that the correct price of an article is that sum of money which the buyer can afford to pay; and no more. It was not his fault if the buyer of a penny box of matches could only find a halfpenny; and as it was his pro-function in the economic system to sell matches, per halfpennies he required, and twisted the bankers out of the other. He conceded a consumer discount, and was reimbursed by the credit authority. It is true that in order to get his reimbursement he forged securities and created "favourable financial sentiment" among the credit-creating monopolists; but the blame for the deception lies against them rather than against him. It is they, not he, who are responsible for the existence of general conditions in which financial window-dressing pays. Mr. Kreuger's offence was that he practised hypnotism without a licence—and, what added insult to the injury, hypnotised the licensed hypnotists!

The £40,000,000 of Italian State Bonds recorded among his assets, and now alleged to be forged,

were never checked by his co-directors, the reason being that whenever any of them suggested such a thing Mr. Kreuger would put his finger to his lips and "register" high-financial discretion, murmuring that the loan for which the bonds were security was a secret State transaction, and that if the slightest hint were published about it there would be an international crisis. Again, when any enterprising young accountant discovered and reported to him some irregularity in a certain set of accounts, Mr. Kreuger would say: "Oh yes. This will have to be looked into and put right"; and within a week the smart young accountant would be rewarded by promotion to a job in another company at, one presumes, a higher salary. Naturally the young man said nothing, whatever he thought, for confidence between director and accountant is as sacred as that between banker and client. Moreover, there was the practical consideration that in the high-financial game there is always a subsidy for silence—a fact so thoroughly understood in the profession that it probably originated the saying: "Silence is golden." Readers versed in the inner politics of the Social Credit Movement will be able to recite to themselves the names of people who, no doubt to their own surprise, received promotion or preferment as soon as they brought their Social-Credit proficiency to bear upon the irregularities of the existing financial system. In one case, which is no secret, namely that of Mr. Frank Hodges, the National Financial Directorate did not wait for him to discover anything, but called him higher before he had mastered the multiplication table, let alone the A + B Theorem. We do not think that he would have done so in any case; but the directorate were taking no chances. We remember hearing him say at a Scarborough hotel one night, in a tone of what we still believe to have been one of sincere bewilderment: "I can't understand how you can possibly sell coal at under cost." He couldn't understand, but he was puzzling about, Social Credit: and that was quite sufficient reason for his promotion from being an economic adviser to the Miners' Federation of Great Britain to being an economic adviser to the Bank of England. What he "advises" on the devil only knows, and for all practical purposes his private office in the Bank of England might just as well be a private dungeon in the Bastille of England.

So much for the Kreuger technique of making the permanent staff word-tight. As regards his technique of ensuring discretion among the directorial classes, its parallelism with that of Finance is even more clear. One may legitimately say that the same high-diplomatic considerations which preserved the secret that the Italian State Bonds had no authentic existence were precisely the same as those which, for instance, enabled the Bank of France a few years ago to declare a holding of £20,000,000 of gold bullion which, in fact, it did not hold, but had transferred to the Bank of England. The only difference that we can see is that between one's being a licensed liar or an unlicensed liar. Again, there are the makings of a similar sort of deception in one provision of the recent Budget where the Government take power to accumulate a "fund" of £150,000,000 to "support the sterling exchange," and at the same time hold themselves immune from the liability to disclose the nature of the assets composing that fund. Now, in the Social Credit frame of reference, the supporting of the sterling exchange has exactly the same significance in bank finance as the supporting of stock finance in company finance. Supposing that the Government had taken powers to raise any sort of "fund," and had entrusted their exercise, not to Mr. Montagu Norman, but to Mr. Ivar Kreuger, the latter need not have raised any "fund"—he would not need a store or accumulation of credit, be-

cause the legal powers would themselves be the "fund"; that is to say, the "fund" already exists in the form of the general credit of the community; and the supposed "powers" to "accumulate" the "fund" would really be powers to draw on the public credit. In such circumstances Mr. Kreuger could afford to claim immunity from disclosing the assets composing his "fund," because whatever those assets might be they were backed by the Government and therefore underwritten by the taxpayers' resources. It would not then matter whether his assets were authentic securities or forged ones. If forged, the public faith would make them whole.

What is the reason why Mr. Norman need not reveal to the nation the components of this huge "fund"? Is it that his doing so would somehow impair its effectiveness in protecting sterling? Or that the information might lead to international complications? (Kreuger's story.) Or again, is it that the information would disclose evidence that the purpose of the fund was something other than protecting sterling? We are reduced to idle speculation: there is no fixed point anywhere from which to plot any curve of objective fact or of settled intention. There is just one thing that comes to mind, namely that this figure of £150,000,000 is approximately equal to that which, last autumn, financial experts calculated would be the size of the Budget deficit within a certain period if the economy policy since imposed on Parliament by Sir George May was not adopted. But this does not contribute much to our own enlightenment, not to speak of the enlightenment of the electorate in whose name the control of these millions is vested in the Bank of England. It is a scandal of major dimensions that the whole Press of the country should leave this aspect of the Government's policy uncriticised and not even analysed. And it is a worse scandal (or will be) if no-one, or no group, in the House of Commons intervenes with an inquiry for information about it. Our bet is that the Members will let it alone. Imagine the stupefaction of old English Statesmen if they could come back and witness how the concept of the House of Commons as custodian of the public purse is interpreted by the watchdogs in the present House. The better one thinks of their intentions the worse one is bound to think of their wits. And if it is a question of wits, then slugging is about all they're fit for.

That the proposal needs strict investigation becomes apparent directly one tries to make it plausible. For instance, imagine a passage between Norman as witness and a cross-examining counsel:

1. Why do you want this fund?—To protect sterling.
2. What do you mean by protecting sterling?—Keeping up its value in terms of foreign currencies.
3. In whose interest?—The nation's.
4. You mean that of the whole community?—Yes.
5. As between two currencies, say, pounds and dollars, if £1 is worth 5 dollars now, and falls to 4 dollars, do you say that that injures the community?—Yes.
6. Now put it the other way round, and say that in America a dollar is worth 4s. and rises to 5s., would it not follow that this would benefit the American community?—Yes.
7. In that case, would the effect be to raise the purchasing power of the dollar when spent on British goods?—Yes.
8. Thus encouraging American importers to buy British goods?—Yes.
9. Generalising, is your case that a fall in the £ in relation to foreign currencies assists British exports to foreign countries?—Other things equal, yes.

10. By Question 3 you say this is against the interest of the British nation?—In the long run.

11. But other things equal the immediate consequence is to increase British exports?—Yes.

12. And by the same reasoning to increase foreign imports from Britain?—Yes.

13. You will agree that every country seeks to import less and export more in order to secure a favourable balance of trade?—Yes.

14. In that case would it not be to the interest of all countries outside Britain to have the value of the £ kept up?—In a restricted sense, yes.

15. And in the interest of Britain to let the value slip down?—In a restricted sense, yes.

16. Balancing the restrictive qualifications against each other, and considering this transaction in broad principle, your answer is in the affirmative?—Yes.

17. Is it not, then, curious that you should ask the British Government for a fund to effect a purpose which promotes foreign interests and restricts British interests?—It would be if there were no other factors in the case.

18. Let me put it from another point of view: Why should foreign countries want to see the £ fall?—and if they do not, what is the nature of the influence against which you wish to protect the £, and from whom is it expected to proceed?—The shortest general answer is that countries do not think in units—interests conflict inside them: moreover, even if they thought as units they could ignorantly take actions which led to unintended consequences. For example there is in this country the interest of consumers as well as producers, and of the producers there is the interest of the importing firms as well as the exporting. One man's meat is another's poison.

19. Would it be correct to say that your qualifications as Central Banker for Britain consist in your ability to accommodate these sectional conflicts of interest internally, and to represent them all collectively in your relations with foreign countries?—Yes.

20. And in that sense you claim and have power to control Britain's financial policy at home and abroad?—Yes.

21. Foreign countries are under the same control by Central Bankers with the same qualifications as yourself?—Yes.

22. And you consult with each other on matters of policy?—Yes.

23. And you shape your respective policies within one common framework of fundamental financial principles?—Yes.

24. Is it correct to say that you collectively aim at a common general objective, namely to effect an equitable distribution of trade opportunities among the countries of the world?—Yes.

25. And each of you can command the co-operation of the banking institutions in his country?—On all important international issues.

26. By Question 18 you stated that countries do not think in units. But in matters of international financial policy does not this Central-Bank supervision amount to that?—Yes, on important issues.

27. Would you agree that an issue which involved a fund of £150,000,000 important?—Yes.

28. So that the maintenance of the sterling exchange would seem to depend on the interplay of considered financial policies, and not, as you suggested, on ignorant actions leading to unintended consequences?—I would not put it so high as that. Central-Bank control is not absolute.

29. What I wish to arrive at is this: Could it be possible that any foreign Central-Bank, or group of such, would, as a matter of unfettered policy, desire to depress the value of the £?—Not as a matter of unfettered policy.

30. In that case the sterling-protection fund you want is to insure Britain against the risk of action

being taken abroad against the wish and advice of the Central-Bank in question?—Yes.

31. From that is it a fair inference that the step you are taking and the object you have in view has the assent of, so to speak, the Court of Governors?—Yes.

32. Your submission is that you are not complete masters of the exchange situation?—Yes.

33. Can you suggest what interests outside banking could upset it, and how?—Generally speaking, industrial interests, particularly those engaged in overseas trade. The pressure in every country for work and income forces political Governments to do unwise things to allay discontent, things which disturb the balance of international trade as well as the balancing of the national accounts.

34. But can you make clearer the connection between these matters and the rate of the sterling exchange. Do any of these non-banking interests have any hand in the fixing of the figures?—No, but they create the conditions in which the rates are fixed.

35. But the rates must be fixed by somebody. Would that not be the Council of Governors or people acting under them?—The rates are ascertained and imposed by us, but there is no "fixing" except by the circumstances themselves.

36. You mean that, given the circumstances, the rates fix themselves?—Given all the circumstances, yes.

37. But someone must convert the circumstances into the rates by some rule or other: what is the logical basis of this practical automaticity of computation?—The subject is complex, but the governing rule is that the rate, or price, of any country's currency depends on the ratio between the amount of it in demand and in supply respectively. But that ratio is itself fixed by the interflow of imports and exports, which cause currencies to be demanded or offered. And the course of that trading is, in its turn, determined by the respective price-levels in the countries concerned at any given time. The time-lags between cause and effect in the respective price-excesses differ, but in comprehensive principle change fluctuations reflect changes in relative national price-levels. The country able to sell most cheaply has the highest-valued currency.

38. According to this theory then, the price of a currency would be the automatic result of past trading transactions?—Yes.

39. Supposing then that the price of the pound sterling were to begin falling next week, how could your fund "protect" it: how could it correct the logic of past events?—The answer is too technical for a short explanation.

40. I will defer that, and ask a question that is not technical; why should the Council of Governors, as you said in answer to Question 31, assent to your protecting the pound sterling?—That question involves high-political, diplomatic and military problems, and it would not be in the public interest to answer it.

And that is how Mr. Kreuger kept his concern going for so long.

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.

Renewals of subscriptions and orders for literature should be sent, as usual, to 70, High Holborn.

The St. Marylebone Election.

By John Grimm.

According to the attitude of *The Times* of April 23, it would appear that of the two candidates in Marylebone, which polls on April 28, Sir Basil Blackett is the man to vote for. The inference from this is that Capt. Cunningham-Reid is the man to work for. In a leading article *The Times* says that Sir Basil Blackett has spent half his life in the public interest "at the Treasury, in the United States and Canada, in India, at Geneva, and in the City he has amassed a knowledge of national and international affairs that would be welcome on all sides in the House of Commons. He is the kind of candidate . . . who should be encouraged to come forward, especially at a time when War debts and Reparations, the future of the internal debt and of sterling, fiscal development, Empire trade, financial and industrial reconstruction all urgently and immediately concern the British realm and every household in it." In contrast to this *The Times* remarks that Capt. Cunningham-Reid's abilities and experience "are out of the comparison." I have no knowledge of the latter candidate's qualifications, but since presumably he has acquired none of those enumerated in his opponent's favour I should say that that fact itself was a most convincing qualification in the estimation of students of real politics. It is true that Sir Basil Blackett was the first eminent financial authority to speak disdainfully of the Gold Standard, but even a progressive financial expert is likely to be a reactionary compared with anybody who has gained his experience outside of finance. These observations may appeal to some readers who like taking a hand in electioneering, and who live near the constituency; and if so they might lend a hand to Captain Cunningham-Reid. They can do so without compromising their neutrality to party politics because both candidates belong to one party, and, as *The Times* remarks, it is a case of "let the better man win." Moreover, Captain Cunningham-Reid is fighting for the principle that a candidate chosen by the majority vote of his Party organisation is the man to stand for the Party.

Since writing the above I noticed in the *Observer* of April 24 that Mr. George Lansbury, in the course of some debate in the House recently, remarked how unfortunate it was that they had not got Sir Basil Blackett there to help them. George Lansbury! That's torn it, as some of his juvenile protégés would say.

SIR BASIL BLACKETT'S CANDIDATURE.

Mr. Harcourt Johnstone, M.P., president of the Marylebone Liberal Association, has advised the *Liberals* in the division to vote for him [Sir Basil Blackett] and so has *Lord Reading*. "We think," it was stated, "that Sir Basil's claims are best summed up in the reference that was made to him by Mr. George Lansbury in moving the rejection of the Import Duties Bill in the House of Commons on February 15. 'I am sorry,' Mr. Lansbury said, 'that a gentleman like Sir Basil cannot be asked to come to the Bar of the House and give us the benefit of his experience and advice.'" (*Observer*, April 24, p. 18. Our italics.) We have had a May Committee, and have a May Tariff Commission; and by May Day we are likely to have in the House the first Member of the May Party.

ANTI-GAS MASKS FOR ITALIANS.

"The manufacture of anti-gas masks and their sale to the public were approved at yesterday's Ministerial Council at Rome, says Reuter."—*Manchester Guardian*, April 20.

Notice.

Major Douglas is speaking in Aberdeen on April 28. Place and time are not advised.

PUBLICATIONS RECEIVED.

Unemployment. By James E. Tuke. Reprinted from "Stockholm," an international Review for the Social Activities of the Churches. (Published by Edgar G. Dunstan and Co., 11, Lincoln's Inn Fields, W.C.2. 10 pp. Price 2d., postage 3d.)

Beaverbrook and the Co-operative Party.

The proceedings at the Co-operative Party Conference at Portsmouth, which ended on March 28 evoked an "Open Letter to Co-ops" in the *Daily Express* of March 29. The letter, printed as a leading article, invited Co-operators to smash the Party by stopping subscriptions. It said:

"This political party . . . demanded the complete conversion of the Bank of England, denounced the present form of parliamentary government, and insisted on the abolition of the governors of the B.B.C. . . . Do you intend to allow this farce to go on?"

On April 17 the *Sunday Express* published a manifesto by Lord Beaverbrook (four-column spread, with world-map and all the doings as usual!) in which occurred the following passages:

"It should be our policy to make money both plentiful and cheap. . . . How can it be made plentiful? Send the Bank of England about its business! Let it continue to perform the functions of a joint-stock bank. Establish a Central Bank, owned by the nation, equipped with all the powers necessary to provide abundant credit and hedged about by all the restrictions required to safeguard the permanence and stability of the structure."

Much the same sentiments had appeared on April 13 in a leading article in the *Daily Express*, which closed with the words: "The Government must dictate the nation's monetary policy: and the Bank of England must be relegated to its rightful place as the servant of the nation."

On the face of it the average newspaper-reader would wonder to see Lord Beaverbrook advocating one of the very measures which he has cursed the Co-operative Party for advocating. The cynic, looking a little deeper, would probably say to himself: "Ah, Beaverbrook sees in this anti-Bank propaganda too appealing an electoral stunt for the Co-operative Party to be allowed to monopolise it: so he has stolen their thunder." Yet again, the cautious and fair-minded student of politics would probably demand more than Lord Beaverbrook now demands, and might draw the inference that it was something more, not the Bank-nationalisation item, which had provoked his Lordship's antagonism to the Party. And the last-named would be nearest to the mark.

The Co-operative Party's financial resolution, which the Conference passed unanimously, embodied the following items:

- The conversion of the Bank of England into a public corporation under a Ministry of Finance;
- The establishment of municipal banks;
- The raising of the status of the Co-operative Wholesale Society's bank to that enjoyed by the Big Five.

Another resolution was passed, protesting against the "boycott" of Co-operative subjects in lectures broadcast by the B.B.C., and charged the governors with "partisanship." It demanded that the governors should be directly elected by licence-holders.

Now it will be seen that in a purely technical framework of reference there is nothing in either the Co-operatives' nor Lord Beaverbrook's programmes (really the first-named programme includes the second insofar as their formulation goes) that is relevant to the economic problem. Nothing is said on either side about *what alteration of policy and method* would take place under the nationalisation or municipalisation of banking, or after the ascent of the C.W.S. Bank to joint-stock status. Plenty is said about what the banks ought to be, but nothing about what they will do. "Sentiments impeccable—but no method!" as Major Douglas once remarked of a similar phenomenon to this. Let us make it

quite clear that we are not complaining of the omission; our object is simply to point it out as an important reservation to be borne in mind when we proceed, as we shall now do, to weigh the other merits of the case.

First, let us record an item of information in the lighter vein. Lord Beaverbrook, in his manifesto mentioned above, used these words:

"I write with the backing of practical experience. I was a banker for years. I am not boasting of this. I only mention it to show that I know what I am talking about."

He had more truly said: "I only mention it to show that I know what to talk about it." As one confirmation look at his nationalisation proposal. The Bank is to be *owned* by the nation; have powers to expand credit; but to exercise those powers under *restrictions* safeguarding its *stability*. Since Mr. Montagu Norman has admitted that the Bank is already the Treasury, and *vice versa*, it can be held that the nation already owns the Bank. The only change brought about by nationalisation would be that the Bank directors would wear democratic buttonholes and call themselves State Servants. For the rest, one has only to reflect that the Commonwealth Bank of Australia is "owned by the nation" to move the closure on all further argument. Sir Robert Gibson is no improvement on Mr. Montagu Norman. The last two clauses of Lord Beaverbrook's can be so construed as to cancel each other out. The first is compatible with the doctrine of an expansion of credit is imperative; but the second is compatible with the doctrine that the stability of the Bank is imperative. But which is to take precedence, the expansion or the stability? It won't take long to guess the answer if the decision is left to the experts who run the "National Bank." And the provision that the Government shall "equip the Bank with powers"—not equip *itself* with powers—is a clear hint that the conditions governing the exercise of the powers will be settled by the experts. It is they who will decide what "restrictions are required" on their freedom to "provide abundant credit." If Lord Beaverbrook knows anything of banking he must know that banking interests are interlocked on a world basis, their business conducted on a single code of principle and method; and their plans and programmes interdependent to a degree necessitating hourly contact with each other by cable and wireless. How, in such circumstances, can any political, as distinct from a financial, expert help to run any particular central bank in accordance with a popular national mandate? Under the existing financial system it is as much the concern of an American or a French or any other foreign citizen what shall be the measure of "abundant credit" in Britain as it is of any reader of the *Daily Express*. And it is not until sound axioms of banking theory are adopted and applied to a central bank that it can pursue a national policy. In other words, without the Social-Credit technique nationalisation is internationalisation.

MUNICIPAL INSURANCE.

[The following is from the *Sydney Morning Herald* of February 2, 1932.]

The municipal insurance scheme has been dropped by the City Council, which has renewed its policies with the insurance companies on a new basis, which gives the council some concessions. The Commonwealth Bank, it is understood, informed the council that it could not allow the use of the council's overdraft with the bank for the establishment of an insurance fund.

This is interesting to note, because the business of insurance is an integral part of the business of banking. What the banker lends, the insurer collects and invests, thus functioning as a feeder of the credit-destruction furnace. A municipality (a) might not invest or (b) might invest in the wrong way from the bankers' point of view. Therefore it must not control funds!

Australian Affairs.

BANKERS' PETITION TO THE KING.

The latest development in New South Wales is reported in the *Observer* of April 24. Air Vice-Marshal Sir Philip Game, Governor of that State, has received and transmitted to the Dominions Office a petition to the King to dissolve the N.S.W. Parliament. The *Observer's* Special Correspondent speaks of "many thousands" of names being attached. The petition charges Mr. Lang's Government with protecting Communists and "other disloyal elements in the State." The signatories point out that they have already presented a petition to the Governor to dissolve Parliament, "which such Governor neglects and declines to do." The petition goes on:

"Except by this appeal to your Most Gracious Majesty the people of this State have no means of protecting themselves against the grave infringements of their rights which is threatened by the disruption and disloyal Communist movement."

The petition was organised by the anti-Communist New Guard movement, and one member of the deputation who presented it to the Governor was Captain de Groot, "who," says the Correspondent, "a few days later became famous as 'the man who opened the Sydney Bridge,' forestalling Mr. Lang."

The slime of financial intrigue is plastered all over this ramp. We baptised the New Guard movement "the bankers' army" months ago, and gave our reasons for it. With regard to the Communist movement, no London paper has published evidence of disruptive acts, nor do the petitioners now allege the commission of such; they simply say that the existence of the Communist movement threatens their rights. What these rights are they carefully avoid specifying. We have said before, and say again, that the overturning of capitalist industrial enterprise is not inimical to the bankers' policy, and that the Communists' methods of attempting it play into their hands. If no Communist movement existed the bankers would create one. In fact, potentially they have created one: for the New Guard is in their hands, just as handy an instrument for intimidating the employing classes as the workers if occasion arose. Further, on February 3 the Commonwealth Postmaster-General announced that the following publications would be refused transmission through the post: *The Workers' Weekly*, *The Red Leader*, *The Working Woman*, *The Pan-Pacific Worker*, *The Young Worker*, and *The Soviets Today*. (See the *Labour Daily*, Sydney, February 4.) This is covered by the Crimes Act, which provides that no "unlawful association" shall enjoy postal facilities. The Act defines certain associations as unlawful. Mr. Fenton, late acting-Premier in Scullin's Administration, has explained that the bodies associated with the above publications urging the *or less* actively engaged in propaganda by violent *or other unlawful* means." (From the same report. Our italics.) It is clear that under this Act any propaganda could be held unlawful directly it advised people to seek remedies for their grievances otherwise than through the ballot box. Even to assert, as did English Co-operative Society de-legates at Portsmouth recently, that Parliamentary government was discredited, could be held a constructive infringement of this Australian Statute. Yet in a situation like this these precious petitioners to the King bleat about their threatened "rights"!

Anyone who takes a map of Australia and looks at the tremendous distances can realise the falsity of the suggestion that there is a compact and mobile Australian Communist movement. Communists are widely separated in isolated groups, and the "violence" of which they are capable is limited to sporadic

localised attacks on property, attacks which the New Guard, together with the legal forces of law and order, are easily able to deal with. The bankers are not interested, in the last analysis, in protecting property as such from damage, but only *pledged* or *insured* property, that is, property whose damage would decrease the security they hold against loans, or cause a drain on insurance companies' reserves.

The most artistic touch in the petition is the implied allegation that Sir Philip Game is taking sides with the N.S.W. Government. It will be remembered that when Mr. Lang took office and passed a measure dissolving the Legislative Council (the Upper House of the N.S.W. Legislature) that anti-Lang body voted in favour of Lang's Bill, thereby dissolving itself. Then it procured two of its banker members to seek a pronouncement of the High Court that the Council's action was illegal—a pronouncement which was duly made and which is now being considered by the Privy Council in London. Now, Lang had not wanted to abolish the Legislative Council, but was driven to attempt it by Sir Philip Game's refusal to allow him to appoint new Socialist Councillors so as to obtain a majority in the Council. How can that be reconciled with the allegation that Sir Philip has been "neglecting and declining" to cut Lang's claws? The whole episode was a bankers' intrigue to prevent the constitutional legalisation of Mr. Lang's financial programme, a programme on which he had just secured a decisive popular mandate at the polls.

If the game of petitioning for rights is going to be played, there are plenty of other petitioners with sufficient wrongs to take a hand in it. For example, the majority of electors in Wakefield might plead the result of the by-election as ground for a petition to the King to dissolve Parliament; and with more force than in the case of this virtual Australian Moneylenders' Charter.

SOCIAL CREDIT DIRECTORY.

Leaders or Secretaries of Social-Credit groups, and other readers who care to do so, are invited to send their names and addresses to THE NEW AGE for permanent publication therein.

"HUNGER AMIDST PLENTY."

[The following is extracted from a report of Major Douglas's speech at Southampton in the *Southern Daily Echo* of April 5.]

Major Douglas was discussing the relationship of finance with the economic position of the world. He set the following riddles and supplied the answers:—

Why doesn't business go ahead and create enough wealth to banish poverty?—Because our productive capacity is far too great.

Why must so many people go hungry?—Because our granaries are bursting with food.

Why must so many people wear shabby clothes?—Because we have too much cotton, too many mills, and too many garment workers.

Why must so many people live in dilapidated cottages?—Because we have too many bricks, too much wood, too much steel, too many carpenters, and too many plumbers.

If we have too much wealth in some places and too little in others, why cannot we transport the wealth to the places of greatest need?—Because our railways haven't enough to do, have too many trucks, too many road workers; there is too much road transport and far too much coal and oil.

PUBLICATIONS RECEIVED.

The Political Economist. A new fortnightly newspaper established and edited by Frederic E. Holsinger, author of "The Mystery of the Trade Depression." (Published by M. Holsinger, at 63, Torrington Square, W.C.2. 12 pp., 16 x 13. Price 3d. per copy, post free.)

Ireland Since 1922. By J. M. Hone. No. 39 of the "Criterion Miscellany." (Faber and Faber. 32 pp. Price 1s. net, postage 1d.)

Theatre Notes.

By John Shand.

The plain elderly man who was sitting next to Coleridge at Drury Lane Theatre suddenly touched Coleridge's elbow and, with a face that expressed at once surprise and aversion, pointed to the actor who had that moment made his entrance: "Do you see that little fellow there?" he said, "He has just been committing adultery!" Coleridge laughed. The laugh somewhat relieved his mind from "the mingled horror and disgust" with which he witnessed the opening of the fourth act of "Bertram, or The Castle of St. Aldobrand," a miserably lurid melodrama which was put on instead of his tragedy, "Zapoyla." The end of the third act had shown the married heroine making an appointment with her lover to spend the night with him and, as Coleridge indignantly exclaimed, "the curtain descended that the appointment might be carried into act and consummation." It was the next appearance of the lover which drew that unintendedly comic remark from his neighbour; and although Coleridge was naturally amused by it, he was himself gravely disturbed by a scene which he considered as a melancholy proof of the depravation and poisoned taste of the public. "The very fact," he wrote, "that a British audience could remain passive under such an insult to common decency, nay, receive with a thunder of applause a human being supposed to have come reeking from the consummation of this baseness," oppressed his heart.

Coleridge's attitude will seem "quite too medieval" to many young people, particularly to those who were taken one Christmas not to their first pantomime but to their first film, and have grown used to a form of entertainment that grows more sophisticated but not less vulgar. For my own part, I have some sympathy with Coleridge's point of view, though, of course, I could not agree with Coleridge if he meant, as I am afraid he did mean, that there are certain subjects and certain phases of life which must be excluded from the theatre. (For Dr. Bowdler was a contemporary of Coleridge, and his expurgated Shakespeare heralded the approach of Victorian delicacy.) There is nothing I would not let the dramatist write about, so long as he wrote with genuine feeling, as in the case of Shakespeare, or with real wit, as in the case of Congreve. I would let your face-writer take what Rabelaisian license soever, if he could make us roar with free hearts and wide-open mouths. But, lord, how I would smother and stifle the sentimental pretenders to feelings, the bawdy imitators of wit, the sniggerers, the ticklers, the garrish decorators of viciousness, the wrappers-up of vulgarity in the robes of tragedy! Into the dustbin they would all go, and a good riddance to them. They would not escape my censorship, if I had the power of prohibition.

But of course censorship in matters of art is absurd. A country gets the censorship or the lack of censorship it deserves. Given a society in which the majority have a natural or acquired good taste, and there is no need to prohibit what is not in good taste. Given a society in which lack of taste, natural or acquired by compulsory bad education, has become predominant, and censorship will play pandar to that taste and will only put fetters on the type of artist who deserves freedom because he can make good use of it. For it is in the nature of censorship to be cowardly and to fear the force that emanates from clear minds and deep feelings. To me, then, that unknown man in Drury Lane Theatre, making his feeble and ill-expressed protest to Col-

eridge "in a half-whisper," stands as a symbol of that common decency which is outraged not by outspokenness but by innuendo; not by whatever comment common sense may make on what is vile, but by the whitewash uncommon nonsense tries to hide it with; not by anything in life that a good artist may choose make a story of, but by everything the cheap showmen of this world may choose to hide a lie in; that common decency which is daily insulted by a vulgar Press and a feeble Parliament, by the oppressive exactions of taxation, by the depressive restrictions of unnecessary legislation, and by the artificial famine of these times which our rulers, like latter-day Pharaohs, have brought upon their subjects by stupidity and pride.

But I am out of my part, and must resume the mantle of the drama's commentator. I put the blame on Coleridge for this excursion. It was a re-perusal of the "Biographia Literaria" which reminded me of that "plain elderly gentleman"; and it was while pausing to consider, if he were a contemporary dramatic critic, how many times a month he would be impelled to dig somebody in the ribs to say, "Do you see that little fellow there?" that I wandered away from the theatre. Recalling that I have a memory which mercifully forgets much of the rubbish name a number of pieces in which the hero was shown entering or just about to enter, coming out or having just come out of, some woman's bedroom. "Musical Chairs," there are such scenes; and though in neither play are the scenes particularly objectionable, nevertheless I object to them on the grounds that neither dramatist has made good enough use of them to warrant the license. These two plays are again alike in this: their dramatis personae are mostly (to me) quite uninteresting; mildly vicious, mildly good-natured, mildly witty, completely futile. Even a Chekov, who can deal successfully with a crowd of such characters because he is an artist of genuine if minor quality, is not to be endured in the study or in the theatre except occasionally; and neither Mr. Ronald Mackenzie, who wrote "Musical Chairs," nor Mr. Evelyn Waugh, from whose novel, "Vile Bodies," the play was adapted by Mr. H. Dennis Bradley, is another Chekov. Mr. Waugh writes successful novels about what are called Bright Young People. He has taken the place of Mr. Michael Arlen, who has made his pile and who in any case, I suppose, is now more than a trifle demodé. The life of the ultra-fashionable idol is naturally brief. Mr. Waugh's readers may wish to see this adaptation of his book to the stage: I cannot think anyone else would want to do so. Mr. Mackenzie is a new dramatist, and "Musical Chairs" is his first play. That is only a question of practise when one has been given, as he has, that sense of the theatre which is not to be acquired by taking thought. But will he for his sake as well as for ours either look around for characters with something "to" them, in the way of laughter or of tears, or for a story "with some stuffing in it" (Stuffing, not padding.) Everybody loves a good story; and people are so tired now of the padding-gilded with good acting, which is the average metropolitan piece, that the next dramatist with the knack of turning out a strong story should make a lot of money.

What else of new entertainment did I sample? A melancholy variety entertainment at the Fortune Theatre made up of select items from the "Green Room Rags" of the last few years. The show is labelled "What You Like," but it is what you won't like. "Green Room Rags" are occasional entertainments got up by actor members of the Green Room Club to help swell charitable funds, and when per-

formed on Sunday evenings before an indulgent audience composed largely of fellow players, are sufficiently amusing. But when it comes to a medley, even of the best items, for a public show, one has to admit that so far as their private high jinks are concerned, the Green Room Club members responsible for this entertainment must take Hamlet's advice to Polonius and play the fool nowhere but in their own house.

Mention of Hamlet reminds me that if there are no new pieces I am able to recommend—of course I do not see all of them; there is a new musical show at His Majesty's, "The Du Barry," which I have heard praised, and I have not seen and do not particularly want to see Signor Mussolini's play about Napoleon—there is always the Old Vic., where they are now doing "Hamlet," in celebration of the Birthday Festival. Shakespeare's best plays, whenever they are at all adequately acted, are still for me supreme theatrical entertainment, and I can swear that hour for hour, evening for evening, I get a great deal more of pleasure and less of tedium at the Old Vic. than at any of the West End theatres. Mr. Robert Harris and Mr. Robert Spaight are taking it in turn to play the leading part. I saw Mr. Harris. As my companion, I thought, very justly remarked, this youthful actor gives a fine performance for the reason that he is not a big enough personality to give a "star" performance. You could see the play through the actor—and what a magnificent play it is!—instead of the actor in front of the play. Here was a likeable young man, intelligent, well-bred, sensitive, caught up by evil chance into a desperate situation, and not trying his best to do the right thing. And is not this Shakespeare's play? A pox take these learned commentators, who will write you a whole library on the characters of Rosencrantz and Guildenstern, and will discover a new branch of psychological research in all the inhibitory complexes and incestuous longings they fancy they can discern in Hamlet, who find obscure darkness in broad daylight because they love to borrow, and are sure the deeper they scratch for hidden meanings the nearer they will be to the light that shines so clearly from Shakespeare's genius. They will explain Shakespeare, forsooth: but who will ever explain their explanations? But enough of this. Briefly, then, I enjoyed this production as a whole. Mr. Harris's Hamlet in particular. Mr. Richardson is a first-rate First Gravedigger; but he doubled the part of the Ghost, and the voice of his Ghost had not the ghost of a thrill in it. Mr. Alai-Sim made the King interesting, playing him as a weak and cunning villain rather than as a strong and murderous one. In my notice of "Twelfth Night" I said Mr. Sim was simply a bad actor. I apologise as sincerely as I made the charge: but I ought not to have said it without seeing more of his work. To balance blame with praise, I felt that Miss Thomas sang Ophelia's songs too much like a woman singing for coppers; and I could not understand that note in the programme by an anonymous hand which concluded a summary of the philosophy "But the greatness of the play lies in the philosophy rather than the story." With great respect for one whose opinion I might have the greatest deference, if I knew who he was, this is perfect nonsense. The greatness of the play lies in the fact that Shakespeare could create characters who are as full of humanity as they are full of good material for actors, because he had a good story to tell about them, and could make them speak a language that is at once dramatic and beautiful; beautiful because it is dramatic, and twice as dramatic because it is so beautiful. But as I said before, thank heaven for the Old Vic.—"and Sadler's Wells, and Sadler's Wells!" as Miss Lilian Baylis would gasp out, if it were her last breath.

Music.

The City String Players. Conway Hall, April 14th.

To praise an amateur musical body for nothing more than enthusiasm and sincerity is to praise it with by no means faint damns, for vitally important as these ingredients are in the finished work of art, by themselves they count for no more than the Eschallot in a *sole Marguery* without the sole. The City String Players have much more to their credit than that, and stand in no need of those utterly damning apologies with which amateur concerns are so often wont basely to appeal to the better nature of their audiences and to their worse critical sense, for given steady drilling and gruelling they have the making of a fine little body. Already they have excellent tone and intonation, and it is only in softer and quieter passages where deviations from the path of strict rectitude in these matters is markedly noticeable. The members of the organisation are engaged in City offices during the day; their opportunities for concerted work must of necessity therefore be scanty, and the time and energy they devote to their little orchestra is entirely voluntary and disinterested, which makes the matter all the more admirable and praiseworthy. Their conductor, Mr. Harold Rawlinson, has not made (as so often the case) the serious mistake of giving his little body inferior music to work on—rubbish is quite clearly taboo, and nothing appears to be tolerated that is either cheap or inferior, a most admirable policy. The young leader of the orchestra, Robert Ferraro, is a violinist of more than ordinary promise, and his playing of the solo part of the Vivaldi concerto in G minor was thoroughly musicianly, clean and pure technically, excellent in intonation, sensitive and tasteful in phrasing, and he gave me a great deal more aesthetic pleasure than most of the players of his instrument whom one hears broadcasting, or than quite a few (alleged) British celebrities.

d'Alvarez. Palladium, April 17th.

Madame d'Alvarez made her *rentrée* at a recital under the auspices of that admirable institution the National Sunday League the first and best champion of a Sunday of rest and recreation, against the ferocious attacks of Sabbatarian sadists bent on enforcing universal gloom and depression. Rather more of the one-time remarkable beauty of Mme. d'Alvarez' voice was in evidence on this occasion than has been the case for some time, though it is still very far from the voluptuous beauty for which it was so unique about ten years ago. But under no circumstances should this singer attempt Bach—the impassioned and somewhat theatrical flamboyance that pass muster in Saint Saëns or Bizet do so because Saint Saëns and Bizet can stand, indeed demand that treatment; Bach does not, and the effect is like getting one of our more notorious "modern" colourists to bedaub a Dürer engraving. In songs of more frankly (shall one say blatantly?) emotional appeal Mme. d'Alvarez is always more successful.

The young violinist Bratza who assisted, has developed into a fine sensitive artist with a polished musicianly style and a delicate sense of phrase. He is one of the few violinists by the way, at whose hands double stopping in octaves sounds tolerable. A solidly made set of variations (in MS.) by J. Langstroth (whose name is unknown to me) on a theme of Fiorillo showed very advantageously his command over all forms of violinistic technique and his musicianship. It is a meaty work of rather neo-academic flavour reminding one at times of Pfitzner and at times of Reger. Bratza's very fine accompanist, whose name, for some strange reason, did not appear in the programme, must be mentioned.

KAIKHOSRU SORABJI.

The Films:

Studies in Personality.

It is among the defects of the star system as practised by Hollywood that at best it lends itself so much to casting players in unsuitable roles, and at worst to complete miscasting. These defects are, of course, characteristic of the theatre, where they are, however, not so pronounced, since, barring a succession of "flops," stage actors and actresses are not given so many roles in a year as are film players. The screen system, which literally manufactures stars, represents in effect the exploitation of personality, and the result is not that the player's the thing, but the personality. Is it to be wondered at if some of Hollywood's major box office attractions have largely ceased to act, and are content, with the encouragement of their producers, merely to repeat their impersonations of themselves?

A number of such impersonations is to be seen among the films of the moment. As, for instance, George Arliss in "The Silent Voice" (Regal and Pavilion). Mr. Arliss can never be anything but an admirable and supremely finished artist, to see whom is to see superb acting. But he also, apparently, can never be anything else but George Arliss; whatever role he plays, we see Mr. Arliss, with Mr. Arliss's impersonation of "Disraeli" always hovering in the background—and at times coming into the forefront of the picture. That any film in which he plays is emphatically worth seeing is perhaps the greatest tribute one can pay his art.

As in the case of most of his pictures, "The Silent Voice" is more photo-play than film. The story is a mixture of melodrama and "uplift," not to say mawkish piety, and if Mr. Arliss is more convincing as a musician than most screen musicians, it is not the fault of the director. But these defects are immaterial; George Arliss's the thing.

And so is Greta Garbo. "Mata Hari" (Empire) is likely to revive all the fierce controversies as to whether Miss Garbo is one of the greatest artists of the contemporary screen or only a manufactured star. I confess myself still baffled by the problem. In the days of silent pictures, Miss Garbo meant nothing to me. "Anna Christie," her first talking film, set me half way on the road to becoming her very humble servant, a process completed by her second talkie. Each of her succeeding pictures has left me more disillusioned, until "The Rise of Helga" obliged me to say that if that film did not kill the Garbo myth, nothing would. And now "Mata Hari" makes me balance between the two verdicts.

Obviously, the least admiring critic cannot deny Miss Garbo personality. But both on the screen and the stage a great personality can take the place of artistry, or rank before it, as was the case with Irving. Like Irving, Miss Garbo irritates by her mannerisms, and one can heartily tire of her husky voice, with its monotonous inflection. She is almost invariably miscast, and her Mata Hari is not Oriental. What she would do with a suitable role is the real key to the enigma.

Some of her scenes in this picture are strangely arresting; the ending, in which the convicted spy is led out to execution after saying good-bye to her lover, who in his merciful blindness believes she is going to the operating table, is on a note of genuine pathos. Unfortunately, the whole of her performance is not on this level; there is too much of that staginess of the pre-war vamp with which Hollywood still insists on saddling its adventuresses.

As for the film itself, it is better than I had anticipated. The liberties taken with history are immaterial (and the whole truth has still to be told of Mata Hari), and however weary this critic may be of the courtesan with a heart of gold, producers still

insist on regarding her as a trump card. That Miss Garbo, although invariably cast as a lady of imperfect chastity, always remains fiercely virginal is both another error in casting and another facet of the Garbo problem.

There is another "personality performance" in "Mata Hari," that of Lionel Barrymore. Here he abandons his recent role of father of Flaming Youth for that of the lover-traitor, but whether he is a Russian general or an American lawyer, he remains essentially Lionel Barrymore. Ramon Novarro, as the young officer for love of whom Mata Hari risks and loses her life, has never given a more sympathetic impersonation, and his love-making has a certain fire that it has hitherto lacked.

But, if you ask me whether Greta Garbo is a great actress or very much the reverse, I must candidly answer that I don't know.

Current Films.

"Danton," with Emil Jannings, which is at the Academy this week, is being followed on Sunday by "Mädchen in Uniform," which would have been shown before now but for the obstinate success of "Kameradschaft." The Polytechnic is giving an unusual double bill, composed of "Kriss," shown for the first time, which depicts native life in the Dutch East Indies, and a revival of "The Divine Lady." This is one of the early talkies, with Corinne Griffith as Lady Hamilton and Victor Varconi as Nelson.

DAVID OCKHAM.

"Douglas Propaganda."

"DANGERS OF POLICY."

By J. C. N.

[Reproduced from *The Free Man* of April 28.] I was one of those who were present at the recent meeting in the Christian Institute, Glasgow, when the Marquis of Tavistock gave an exceedingly clear address upon the Social Credit Proposals of Major Douglas. As one who has attended many meetings in connection with Douglas propaganda I was surprised at the large gathering of the interested audience was due to the recent "Social Glasgow Douglas Credit Association or to the recent "Social Credit Scheme for Scotland," as expounded by Major Douglas. As I cannot judge, but no doubt the one assisted the other. As a convinced Douglasite I hesitate to indulge in carping criticism, but I am constrained to express some of the doubts which have risen in my mind as a result of the Marquis of Tavistock's meeting. In the first place, I gathered that his Lordship is associated with "a movement" to "put Douglas across." I have always been led to believe that "movements" were anathema to the real Douglasite. I have heard, on what I know to be sound authority, that some years ago Major Douglas himself expressly discounted the organisation of a Douglas Movement, or Association. Personally, after intense study of the Douglas Scheme, and especially after—through sweat of soul I must confess—gaining an insight to the inner significance of Douglas, I became convinced that Major Douglas was right. To me his action and the inner significance are in perfect accord. I am therefore disturbed to learn about an organised "movement." The Marquis of Tavistock, of course, had no opportunity to explain his movement—if it is his—and I am sure there are many Douglasites like myself who would like to have fuller information.

Now I willingly accord to the Marquis of Tavistock my admiration for his exposition of Social Credit. It was clear and intelligible to anyone versed in Douglas, or even to those who have made but a preliminary study of the subject. For those who know nothing of the subject, or had at best vague notions—and I think this applied to the majority of the audience—on the theory, the speech must have been bewildering. It seems to me that to expound Douglas in this fashion to a general audience, is only to make the average man say to his neighbour—"It wearies me, you say it wearies you, but how I caught it, found it or came by it I am to learn." I do not suggest bored, so much as distracted minds.

Another point I feel strongly on was made particularly clear in the course of the subsequent discussion. The point was raised by a lady speaker who said, "If the Scheme is

LETTERS TO THE EDITOR.

"THE MIRACLE."

Sir,—Mr. John Shand deserves heartily to be congratulated for his exposure of the way in which a lovely and profoundly moving mediaeval story has been sentimentally belaboured to suit the debased taste of a contemporaneity, that while never weary of boasting (like the parvenu who is always telling you what a perfect gentleman he is) of its entire emancipation from fake sentiment is the most abjectly sentimental perhaps, of any period of which we have knowledge, a fact of which so keen an observer as Mr. Shand will stand in no need of telling. What is indeed astonishing, is that so distinguished a theologian and Jesuit as Father Woodlock should have had his critical faculties so far overwhelmed by the splendour of "The Miracle" as a spectacle, as to fail to observe the many discrepancies to which Mr. Shand draws attention. Of the *Universe*, that Catholic *Daily Mail*, no one expects anything better.

Yours, etc.,

KAIKHOSRU SORABJI.

"BRAIN AND MIND."

Sir,—The review of Dr. Lynch's booklet, "Brain and Mind," appearing in your issue of the 7th, convinces me that the reviewer is, in the first place, insufficiently familiar with the subject to know what are platitudes and what are not, and indeed the whole spirit of the system obviously escaped him as he failed to recognise that the praise of Broca's doctrine is pure irony.

Apropos of Dr. Lynch's work in general I may add that his analysis and exposition have won high praise in philosophical circles abroad, and he was one of the very few writers in English to receive serious attention from the authors of the *Histoire de La Philosophie Moderne*, published under the auspices of the University of Paris.

J. C. BAYLEY.

11, King's College-road, N.W.3.

MAJOR DOUGLAS'S SCHEME FOR SCOTLAND.

Sir,—The unconscious impertinence of Englishmen has for so long been their distinguishing characteristic that one scarcely notices it. It is, however, no more than kindly occasionally to point it out to them in the hope that they may realise how unnecessarily offensive they make themselves to the rest of the world.

The last instance in *THE NEW AGE* appeared this week over the signature of, I presume, "ane o' the heids o' de pairments," of whom we Scotsmen are supposed to be so proud. Scottish advocates of Social Credit are expected to be interested in the announcement that the National Assembly of the Kibbo Kift may advise the Scottish National Party (sic!) to make the Douglas Scheme "the bedrock foundation scheme of their economic policy."

One would merely be amused at the cool impudence of the idea if it were not for the harm it would cause if carried out. Can Englishmen never, not even when they are intelligent enough to be Douglasites, forget their self-appointed mission to be the saviours and advisers of "the appointed mission to be the saviours and advisers of our lesser breeds" who cannot be trusted to manage their own affairs. Is it not obvious that Scotsmen who are doing their utmost to get rid of one lot of English controllers are unlikely to welcome advice from another lot (excuse the hyperbole)? It may interest the Kibbo Kift to know that certain Scotsmen are, in their own poor un-English fashion, thinking over this whole question very carefully. I should not have troubled to write if this were merely a question of good taste, but I do so because I am convinced that such a resolution coming from an English organisation would do nothing but harm to the Social Credit Cause in Scotland. When those in touch with the Nationalist cause in Scotland think the time ripe for such a resolution they may be trusted to bring it forward.

D. E.

POINTS FROM LETTERS.

Truly, our financial system is hopelessly inadequate. It is carried on in a sort of way during the Industrial Age, but has failed entirely in this one of machinery. I am very interested in the Douglas Social Credit Proposals. I am giving a garden party on the 21st inst., to give friends and others the opportunity of hearing something about the New Economics. Several men I know who are students of Economics will come and talk about the Douglas Plan conversationally. I feel I must do all I can for what seems to me to be a way out of the present wretched conditions. Here, in Australia, we have everything in abundance that people require, and yet, because of the scarcity of that artificial thing, money, there is want and misery.—Extract from letter written by the wife of a well-known Australian stock-breeder, dated November 11, 1931.

so simple, why are you not getting it adopted." Here is what I regard as a real danger. To convey to an audience that the Douglas Scheme is "simple," or easy to get across is bad work. Douglas is *not* simple and it is not going to be easy to get it adopted. Anyone who knows all that is involved in Douglas knows that at least, and consequently must feel distressed at any Douglas speaker owning a great name and having a notable public reputation, instilling such a misconception. I am prepared to acquit the Honourable speaker of any intention to injure the cause of Social Credit, but I am definitely of the opinion that he did so in Glasgow.

Suppose for a moment that by some wonderful happening the Scheme was given a chance of being adopted, we know too well the forces that in devious ways would be immediately brought into action to make the Scheme unworkable. Then would the cry go up "So this is your 'simple' scheme," and Douglas would be damned for generations, if not forever.

Again it is surely evident to serious students of world affairs that the Douglas Scheme can never be a "popular" idea carried through on the crest of a wave of mass enthusiasm. The Scheme is far too technical for that. Popular approval and support of Douglas principles is possible and desirable, but these are not to be gained by analytical but by psychological methods of approach and attack.

The speaker who told us about the work of the Glasgow Douglas Credit Association was obviously passionately sincere, but here again I got the feeling that it is thought in certain quarters that the "popularity" of Douglas will ensure its enactment. To me this is quite discordant. Since I came to such understanding as I possess of Major Douglas' teaching I have believed that even as his theory cuts across all the traditional nonsense so must Douglas propaganda create and develop a new method of public approach. It may be perfectly correct for certain Douglasites to decide that the period of staidous research has gone on for long enough. I am not prepared to say it hasn't, but I am prepared to say that appeals to the public which follow traditional practices will actually do little to promote Social Credit and may conceivably do much to hinder it in its fullest application.

Mr. Andrew Mellon.

[Biographical notes extracted from article in the *Sunday Express* of April 3.]

Father a lawyer.
In sole charge of a bank at the age of 25.
At 30 in control of the whole family estate.
At 35 a millionaire.
At 40 a multi-millionaire.
At 60 a billionaire.
First took office under Harding as Secretary of the Treasury.

Had built up a private political machine which enabled him to control patronage in his State and made him its master. He had long been one of the powers behind the Republican Party.

He was the largest individual contributor to the Harding Campaign Fund.

When he was appointed in his office it was discovered that he was a director of four banks, four insurance companies, and sixty-two business corporations, all of the largest size, and that he controlled for himself and his family holdings approximating two thousand million dollars.

A New York paper remarked: "It is not the least of their (the Mellons') achievements that they have been able to distract popular attention from this fact so long."

He re-wrote the American tax system and retired one thousand million pounds of public debt, refunding as much again on a lower interest basis.

He funded the War Debts, fighting a "Shylock Congress" for a free hand in negotiating.

He remained in office under all succeeding administrations.

His hobbies are pictures and meditation, with an occasional game of golf.

He has a son at college in England.

"He has the sad eyes and the spiritual face of a poet."

"He has the hands of a dreamer."

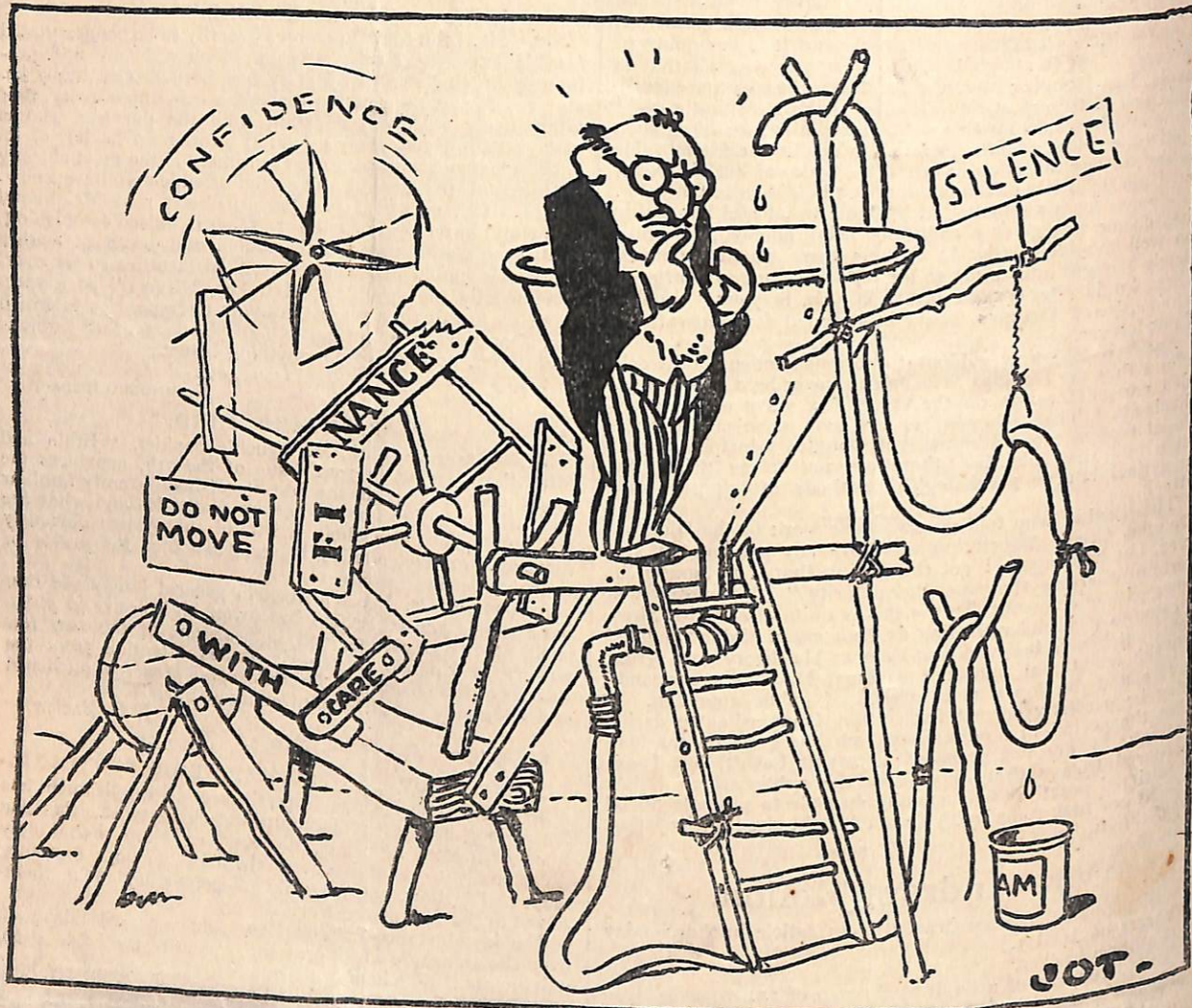
His hands are the hands of a dreamer, as if that alone were real and everything else a dream."

At 48 he married Norah McMullen, a grand-daughter of old Peter Guinness, of Dublin. The marriage was dissolved in the summer of 1912.

He was among the first of the American bankers to get into industrial banking. "A three-fifths interest was the usual Mellon bargain for financial backing."

He supervised the inauguration and administration of the Prohibition Law.

CARTOON BY "JOT."



THE FINANCIAL MECHANISM.
Ssh! . . . Don't breathe on the works.

ACADEMY CINEMA, OXFORD STREET
(Opposite Warings). Phone: Gerrard 2981.

SUNDAY, MAY 1st.
PREMIER PUBLIC PRESENTATION IN ENGLAND OF
LEONTINE SAGAN'S
"MADCHEN IN UNIFORM"
A Psychological Study of Adolescence.
LAST DAYS, "KAMERADSCHAFT."

T.B.—A FREE BOOK.
5,000 TO BE GIVEN AWAY.

Any sufferer from this disease who has not yet read the book recently published at 3/6, by an English physician on the treatment and cure of Tuberculosis, may have a copy, whilst the supply lasts, sent free of charge to any address. Applications to

CHAS. H. STEVENS, 204, Worple Road, Wimbledon, S.W.20.

THE "NEW AGE" CIGARETTE

Premier grade Virginian tobacco filled by hand in cases made of the thinnest and purest paper, according to the specification described in this journal on January 23, 1930.

Large size (18 to the ounce). Non-smouldering.

Prices: 100's 7/6 (postage 3d.); 20's 1/6 (postage 2d.)

Price for Export ex English duty quoted on minimum quantity of 1,000.

FIELDCOVITCH & Co., 72, Chancery Lane, W.C.2
(Almost on the corner of Holborn and Chancery Lane).

The Social Credit Movement.

Supporters of the Social Credit Movement contend that under present conditions the purchasing power in the hands of the community is chronically insufficient to buy the whole product of industry. This is because the money required to finance capital production, and created by banks for that purpose, is regarded as borrowed from them, and, therefore, in order that it may be repaid, is charged into the price of consumers' goods. It is a vital fallacy to treat new money thus created by the banks as a repayable loan, without crediting the community, on the strength of whose resources the money was created, with the value of the resulting new capital resources. This has given rise to a defective system of national loan accountancy, resulting in the reduction of the community to a condition of perpetual scarcity, and bringing them face to face with the alternatives of widespread unemployment of men and machines, as at present, or of international complications arising from the struggle for foreign markets.

SUBSCRIPTION RATES.

The Subscription Rates for "The New Age," to any address in Great Britain or abroad, are 30s. for 12 months; 15s. for 6 months; 7s. 6d. for 3 months.

Published by the Proprietor (ARTHUR BRENTON), 70, High Holborn, London, W.C. (Telephone: Chancery 8470), and printed for him by THE ARGUS PRESS, LIMITED Temple-avenue and Tudor-street, London, E.C.4.