

THE NEW AGE

INCORPORATING "CREDIT POWER."

A WEEKLY REVIEW OF POLITICS, LITERATURE AND ART

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NOTES OF THE WEEK.

We devote our "Notes" to some considerations arising out of a conversation during last week on the so-called "inflationary character" of the National-Dividend provision in the Social Credit Proposals.

A gift of credit by a bank is the same as a loan as regards its immediate effect on prices. When critics of the Social Credit Proposals declare that free gifts of credit to the community must inevitably raise prices they concede that loans of credit will do so also under the same given conditions. The majority of them do. So their objection to the principle of giving away credit must be founded on some other ground than that of Inflation. To find it we must see if there is any other distinction between the gift and the loan. A simple method will be to imagine a closed credit area containing one bank and ten people. Now in the case of a loan of credit the recipient of it is a person who is himself responsible for repayment. The essence of the transaction is not that the credit shall be repaid but that he shall repay it. Why he? The popular answer will be that the credit is not his own. But underlying the answer is the fundamental fact that new bank-credits are public property if they are property at all. Thus when one of the ten persons borrows say £10 from the bank he is borrowing, shall we say, £1 per head from the community inclusive of himself. The situation is the same as if each of the ten people had borrowed £1 and nine of them had lent the money to the tenth. Clearly No. 10 cannot be allowed to cry quits unconditionally. And that is how the bank's fixing responsibility on him is seen to be right—for the bank is in principle the trustee for the non-borrowers, and its duty it is to see that No. 10 fulfils the obligation to his neighbours which he has incurred by borrowing and spending the £10.

Now the accepted view is that if and when No. 10 repays the credit to the bank his act constitutes proof that he has fulfilled those obligations. The

fact of repayment in full is the sole and conclusive test of his having done so. Such a view is actively disseminated among the community by present-day bankers, and is the more readily believed in because apart from the authoritative suggestion that it is true, even independent reflection will show that there are circumstances in which it can be true.

For instance there is nothing to prohibit the conception that No. 10 could hire his nine neighbours at £1 each, and make ten articles, and sell them one each at £1, keeping the last for himself. Whereupon the bank can collect the £10 and the ten people collect the ten articles. For each £1 paid in over the counter of the bank an article costing £1 is carried in over the doorstep of a dwelling house. A splendid scheme, is it not? And if it always happened there would be no need to disturb the present system of confining financial transactions to the banker and the borrower on the loan-basis here outlined.

Next let us investigate, as an alternative, the supposition that the bank gives £10. Now, because new credit is public property, this £10 would have to be a general, not a particular, gift; and we will suppose that the ten people get £1 each. But the fact of the credit being a gift would not affect their ultimate procedure, for the gift-pounds wouldn't turn into gift-articles of their own accord, and since these people want the articles, not the pounds, they would have to make the articles just the same. One may picture them subscribing to form a co-operative society and appointing No. 10 to manage the business of production and distribution. At the end of the process No. 10 would be in possession of £10. This £10 would be held by him as trustee for the ten people, and, the credit not being returnable to the bank, he could use it to repeat the former cycle of operations, and so on *ad infinitum*.

Within the common hypothetical framework of reference in which these two examples are compared it will be clear that the essential difference between

a bank's loan of a credit and gift of a credit is simply the difference between a terminable loan and a perpetual loan. One has only to suppose the bank, in the first example, to lend No. 10 a fresh £10 every time he repays the stale one, to realise that this is essentially issuing a £10 loan in perpetuity, or, in other words "giving" the credit to the community. This is important to remember because apologists for the present loan-system ground much of their case on the fact that the banking system is continuously issuing and retiring loans in practically equal amounts. So they must find some argument to show why, if credit is being given *in fact*, credit cannot be given *in form*.

We will produce the argument ourselves, for it is a certainty that they would not volunteer it. The reason why our twin examples gave equally satisfactory practical results is because in each example the £10 being used for producing the ten articles was assumed to remain in the hands of the ten people until the ten articles were finished and delivered into their homes. This assumption was correct in the second example, but contrary to ascertained fact in the first. In the second example No. 10 could have no intelligible reason for wanting to collect the £10 until he had made and was ready to deliver the whole ten articles. There was no hurry about the money—the only hurry would be to get the articles finished. *No hurry!* That is the essence of the differentiation. In modern production under the loan-system the cycle of operations in respect of any kind of article takes anything from ten to some hundreds of times the term of the loan. In the first example, supposing the shortest time required to complete the ten articles was ten weeks, but that No. 10 was under obligation to repay the bank in one week, that is a picture of what is taking place to-day; and whatever method we picture No. 10 as adopting to get the money out of his neighbours, and whatever consequential burdens we picture as falling upon him and them, we have only to look round to-day on the varied phenomena constituting the economic crisis to see these hypothetical figures and troubles incarnate and manifest in ourselves and our fellow citizens.

Bankers explain to us that what we need is more confidence and enterprise. Confidence! Enterprise! We should say so. Imagine it—the whole of society compassed about at nights with clouds of ghostly witnesses—bankrupts, suicides, forgers, and what not—muttering incessantly their one and unchanging last plaint in this life or liberty: "Time"—"More time"—"Give me a little more time." What then? Did these creatures lack confidence or enterprise? Not a bit; they staked both on Time, and Time would not wait for them. How, then, shall we trust Time to wait for us? Well, there is an answer. It was not that Time did not wait for them, but that the bankers did not wait for Time. Financial and economic times are not synchronised. The financial chronometer measures time irregularly and always ahead of the industrial. It signals the finish of a job when it has scarcely been commenced, and consequently the world is strewn with evidences of arrested, abandoned and wasted work. And what is worse is that any attempt by a Government to synchronise their artificial time-measurements with the natural economic time-rhythm is stigmatised by them as "political interference with credit-policy." And if irritated to the point of reprisals they will speed up that diabolical timepiece to the point where it signals the start and finish of a job simultaneously—in other words they will shut off credit supplies altogether.

Let us retire from this howling spectacle of actual chaos to a silent picture of potential order. One cannot think in a noise—and the problem to be

solved requires deep thought. To set the world right one must first see it whole. Omar Khayyám sang:—

Ah Love! could thou and I with Fate conspire
To grasp this sorry Scheme of Things entire,
Would not we shatter it to bits—and then
Re-mould it nearer to the Heart's Desire?

and if the second word in the second line is read in an intellectual instead of physical connotation (it may have been intended so) the stanza teaches that we must first understand completely that which we would re-mould.

In important cricket matches it is the custom of most umpires to carry six pebbles in their pocket. The purpose is to enable them to keep count of the six successive deliveries of the ball by the bowler which constitute what is termed an "over." At the commencement of the over he takes the pebbles in his hand, which he keeps in his pocket, and as and when each ball is legitimately bowled, he lets a pebble drop to the bottom of his pocket. The reason for this apparently unnecessary aid to counting is, of course, because the intervals of time between the deliveries are rarely the same, and may vary from fifteen to twenty seconds up to two minutes, according to what the batsman does to the bowler or the bowler to him. Again, rain or bad light may supervene and hold up play, in celestial innocence of the fact that our patient friend in the white coat is in the middle of his counting. Even our non-cricketing readers can easily imagine what sort of game would be seen if an umpire were to announce to the bowler: "Look here; I'm going to drop a pebble every ten seconds and you've got to bowl at that rate." Two things would certainly have to be done: one, to attach the ball to a cord so that however hard it was hit it could be retrieved in the allotted time: two, to station the batsman next due to come in within a close enough distance to get to the crease in the allotted time when one of the others got out. Additionally, the bowler would have to limit his run up to the bowling crease irrespective of his natural style. We need not persist in this catalogue of absurdities: the game might as well not be played at all. Let us briefly imagine another thing the umpire might conceivably do. He might forgetfully allow one or more pebbles to escape from his hand without the corresponding balls having been bowled. In that case, following his rule to call the over finished when his hand was empty, he would call "Over," and the over would stop before completion, assuming, of course, that the players accepted his empty hand as final evidence of the delivery of the six balls. Lastly, and on this same assumption, one can conceive of an umpire losing pebbles for the purpose. For instance he might have had a bet that a batsman would reach a certain score. Supposing there were a bowler whom the umpire's fancied batsman was playing with extreme discomfort, the umpire could use the pebbles to underwrite his bet, calling out "Over," and prematurely stopping the dangerous bowler.

Now each of these fanciful sporting suppositions is a financial parable; each illustrates the content of some relationship of finance with industry, and indicates the consequences. Collectively they illustrate the central theme of the present article, that every kind of mistake, misfortune, and miscalculation associated with economic activities is ultimately traceable to the bankers' *mis-timing of credit-retirements*. That is the fundamental flaw. The shortsightedness of credit that people like Lord Beaverbrook are agitating about proceeds from and reflects the operation of the fundamental time-flaw; and if the banks were to issue to-morrow all the extra credit that Lord Beaverbrook might demand (although he would have to hedge and leave it to them if they

gave him the option of naming an amount) a new shortage would occur in this very credit designed to fill up a previous shortage!

In modern industry with its long processes it is inevitable that people must receive present incomes for forward production and spend them on current products of past production. But it is not inevitable that they should pay irrevocably all their present income for the products currently available. Nor is it sense either; for there is no intelligible basis on which the collective price of current products shall be measured by the collective cost of future products. The income you draw from industry this week cannot possibly affect the cost of what you buy this week. But the income you draw this week does affect the price you pay this week. The practical and universal rule is that the price of an article is what it will fetch—i.e., the price of available articles is the total amount of current incomes. "Ah, but savings," someone will interject. Savings are comprehended in the "articles." Savings are investments, and investments are purchases of articles, the only difference being that the articles consist of factories, plant, tools and other things which you don't take home. The question of who does the investing, your insurance company, or you yourself, is irrelevant. Your whole current income fixes the total price of current investments and goods, and is absorbed by them. That is how the banker gets his credits back according to his watch and ahead of the correct time. You and everyone else, whoever you all are, are now caught in his short hairspring. Unless he says "Go" and chooses to put out more credit, consumption stops immediately, irrespective of what quantity of wealth exists unconsumed at that moment. In primitive times when there was no such thing as money, and all was barter, such an eventuality would be unthinkable. If savages stopped working (and nature herself often stopped them) they would at least eat up what stores of food they had. And we can well imagine that if there happened to be in the tribe any specimen of humanity comparable in outlook and function with the modern banker he would be the first meal they would eat in the crisis. Cannibalism is an extinct taste in this country, but one cannot help reflecting on the possible merits of a scheme to introduce the starving underdogs of the country generally to the stock of prime "Long Pig" in Lombard Street.

THE CLOVEN HOOF.

"I think one must admit that force employed by an international authority against a single recalcitrant anarchic nation is in a somewhat different position from the usual employment of force between nations. I think one must admit also that such measures as an economic boycott, even though they may provoke the boycotted nation to war, may be justified by international authority. This is inherent in the whole conception of a League of Nations. The question of the employment of force by an international Government, in accordance with international law, is one which pacifists will be called upon to consider, but as yet the problems which it involves lie mainly in the future."—Bertrand Russell in *The New World* (April, 1932), the journal of the "No More War (sic) Movement." Chalk this guy's name up. Does the babe git the notion of a cute lil' nation stickin' up to an anarchic international authority? No, sir!

THE DEVIL QUOTING SCRIPTURE.

("Evening Standard," May 4.)
"Sir Basil Blackett, who is a director of the Bank of England, speaking at a luncheon in connection with the annual meeting of the International Association for the Promotion and Protection of Trade, to-day, said that finance, if it was to do its job properly, must be kept in its place as the servant of trade and industry.
"The attempt to get back to an international gold standard after the war now appeared to have been premature, and to have needed a great deal more preparation if it was to be successful and made applicable to post-war conditions.

"The Credit Monopoly and Its Alternatives."

By C. H. Douglas.

Manchester, May 24, 1932.

(This address was delivered in the Houldsworth Hall, Manchester, to a large audience. Although the local Press asked for copies of it, no mention of it appeared.)

If my memory serves me rightly, on the last occasion on which I had the privilege of addressing a large meeting in Manchester I devoted a good deal of attention to explaining, what was then not generally accepted or at any rate understood, that money, in the generalised sense of purchasing power, is preponderantly a matter of financial policy, subject almost exclusively to the control of banking interests and in this country notably to the uncontrolled decisions of the Bank of England. At that time (which was a year or two after the close of the war) it was generally assumed that the world's worst difficulties were behind it, that business would be increasingly prosperous, and that a world fit for heroes to live in, which was so confidently promised to us if we won the war, was only a matter of a few years' consistent and straightforward effort. As a consequence of this, the prediction made at that time of the comparatively near advent of an economic crisis of major dimensions which might, and probably would, eventuate in a world war of even greater scope and horror than that which had just closed, was regarded for the most part as fantastic, and the endeavour to explain the causes which were surely working to produce such a situation was for the most part unheeded and its implications unrecognized.

A good deal of water has flowed under the bridges since that time, and many of those authorities, who ten years ago were at one in assuring us that all was now for the best in the best of all possible worlds, are now, when effective action is infinitely harder than it was at that time, engaged in warning us of what we all know quite well—that the world as a whole, and this country in particular, is faced with a crisis at least as serious as that to which we awakened on the fateful morning of August 4, 1914.

But in a situation in which it is, for the moment, difficult to find any very favourable signs, there is one factor which may be the hope of the world, and that is that a large and rapidly increasing percentage of the population is awake to the fact that economic, political, and military crises are neither adventitious nor are they the result of a greater or less number of spots on the sun. While, as in a weather disturbance, a primary cause may have important secondaries, people are beginning to understand that the one question of overwhelming importance to the future of the world is the financial, or money system, and further, that that money system is an effective monopoly operated not for the benefit of the world at large, but mainly to secure its own continuance and the special interests of those who are the particular guardians of it.

Now it is a commonplace to those who have devoted serious attention to these matters that the existing financial system has only persisted because it was not understood, and that therefore every possible means has been taken by those interested in its continuance to direct attention from the financial system, or, as one might say, from the primary depression to its associated secondaries. It is also fairly obvious that those who were the greatest sufferers in a material sense under this system, would be likely to be most vocal in their complaints against it, and most prolific in their explanation as to the real cause of their problems. So long as this explanation was not a financial explanation, it is clear

enough that it was to the direct advantage of those interested in the maintenance of the financial monopoly that such discontent should be focused upon an erroneous explanation. As a result of this, we have seen during the past hundred years a number of successful attacks upon privilege of various kinds, such as, for instance, the ownership of land. These agitations and attacks have been capitalised so that for the most part the privilege has been transferred, largely through the agency of taxation, but it has not been transferred to the agitators, it has been transferred to financial institutions, a fact which is easily verifiable by an examination of the present ownership in this country of all the most valuable site values.

Towards the middle of last century, the focus of popular discontent shifted from the ownership of land to the ownership of what were called the "means of production," and the so-called "capitalist" was pilloried as the villain of the piece. I am not here to defend either a monopoly of land or a monopoly of production, but it must be quite obvious that neither of these bears any considerable share in the situation in which we find ourselves to-day, since neither of them exists other than as a subordinate monopoly to the monopoly of credit.

Now it has always been recognised throughout British history that monopolies are essentially vicious, and it is possible that the grant of monopolies by the Stuart dynasty was a major cause of the reaction which eventually caused it to be displaced. But no one has ever conceived so complete a monopoly as exists at the present day in the monopoly of credit, which affects not one article, but every article, or service, in the daily life of all of us. So that in a consideration of the present world crisis the first point on which to be clear, at any rate in my opinion, is that we are at the present time not in a position to consider the relative merits of what is called "free capitalism" as compared with, say, the forms of open and unashamed dictatorship which exist in Russia and Italy, but we are merely comparing these latter with a peculiarly cowardly form of universal dictatorship which, while completely effective in strangling and wasting the real and potential wealth placed at our disposal by modern science, does everything possible, by its control of publicity and otherwise, to disclaim responsibility for the results, and suggests, for instance, that it is either the incapacity of industrial management, the laziness of labour, the result of a past war, or any other plausible or unpalatable excuse, rather than the direct result of its own unauthorised and indefensible control of economic processes.

Let me, if possible, make this matter clear beyond possibility of misunderstanding. The orthodox economists, encouraged and financed almost exclusively by international financiers such as the type of Sir Ernest Cassel in England, and the Schiffs and Warburgs in America, have been at pains to suggest that money is a negligible factor in trade, which consists essentially in barter, whereas the facts are, of course, that we have long ceased to exist under a barter economy, and we live and carry on our daily work exclusively under a money economy, which is not at all the same thing. To say that money is a negligible factor in trade is much the same thing as saying that the railway ticket is a negligible factor in travelling from London to Manchester. It is perfectly true that a railway ticket performs no important essential service in a journey from London to Manchester, but it is equally true that without it you are not likely to make the journey successfully, and in the present world we are faced with something which corresponds very closely, in respect of all goods and services, to the function of control which is exercised in respect of railway travel, and this power of issuing or withdrawing tickets has been allowed to become the uncontrolled

and irresponsible monopoly of the system which we call "finance."

Now if you have grasped this vital point, you will see that in the consideration of the problem with which we are faced, we have, at the outset, to come to a decision in regard to a matter which is taken at the present time, to a large extent, for granted. In fact, we have to go completely behind such questions as are agitating an increasing number of people at the present time in regard to the *personnel* which controls the existing financial system. We may have to come to that later, depending upon our decision in regard to the more fundamental point to which I wish to draw your attention, which may be stated shortly in this form. What is our conception of the true function of finance in the modern world? Supposing that we were in a position to make our wishes effective, do we desire that finance should control industry, or on the other hand, do we desire that finance should merely reflect the facts of industry?

Now it is quite obvious from what I have previously said, that at the present time, finance does not reflect the facts of industry. What is known as the "economic-paradox"—the fact that we have a glut of nearly every kind of usable and unusable article, and a tremendous surplus of all kinds of services, is now generally recognised, side by side with the fact that by common consent we are involved in something which we call an "economic crisis." This economic-paradox has been vividly presented in a series of riddles, composed by Mr. W. T. Foster, in the following form. *Question:* Why does not business go ahead and create enough wealth to abolish poverty? *Answer:* Because our productive capacity is too great! *Q.:* Why must so many of us wear shabby clothes? *A.:* Because we have too much cotton, too many mills, and too many garment makers! *Q.:* Why must so many of us go hungry? *A.:* Because our granaries are bursting with food! *Q.:* Why must so many of us live in dilapidated cottages? *A.:* Because we have too many bricks, too much wood, too much steel, too many carpenters, and too many plumbers! *Q.:* If we have too much wealth in some places, and too little in others, why cannot we transport the wealth to the places of the greatest need? *A.:* Because our railways have not got enough to do, have too many trucks, too many railroad workers, because there is too much road transport, and far too much coal and oil!

Now, when we recognise this fact, two, at least, most important and interesting deductions can be drawn from it. The first of these is that the world is face to face with a completely irresponsible but dreadfully effective economic government, neither elected nor subject to effective criticism, and, amongst other things, in control of all modern sources of publicity, by no means excepting those which are supposed to be under so-called national control. About ten years ago, when broadcasting was in its early stages, I broadcasted an address from Manchester on much the same subject on which I am addressing you to-night, which was to have been the first of several such addresses. The whole programme of the Manchester station was omitted from many, if not all, of the large newspapers, not merely in Manchester, but elsewhere, and within ten days of that address, an Order in Council was passed forbidding the broadcast of any address which had not previously been written out in full and submitted to the Postmaster-General for censorship. To my certain knowledge, hundreds, if not thousands, of protests have been made to the British Broadcasting Corporation on the one-sided presentation of financial theory, which has been a feature of the past few years, and representations from what, in connection with other matters, would have been quite powerful

sources, have been made with a view to allowing unorthodox views to be ventilated, but I need hardly say, without success. I mention this in view of certain suggestions I wish to make to you.

The second deduction which may be made when the nature of the economic paradox is understood, is that reorganisation of the actual production side of industry is not in any way warranted by the facts. Here in Manchester, where the cotton industry is directly or indirectly of vital interest to all of you, it seems to me to be of paramount importance to understand this particular aspect of the matter. I have never heard it suggested that Lancashire cannot produce as much cotton fabric as is required. The thing it cannot do, and which it is not its business to do, is to produce the money which is required to buy those goods, and as I have frequently remarked, you do not make money by making goods. Money is not made by industry, in the real sense of the word, it is literally and actually created by the very banking system which is demanding your technical reorganisation.

This may be, perhaps, an opportune moment to intervene with the personal opinion, which is that there is absolutely no fundamental conflict between the ideals of world finance, so-called Bolshevism, and so-called Fascism. All three of them are merely variations in the method of establishing an effective dictatorship, and the antithesis which I wish to put before you to-night is not as between various forms of effective dictatorship, but between all of them, and a general free economy.

Now I may say at once that it is clear to me, at any rate, that an essential condition of this free economy is to make finance reflect the facts of economics, and not to allow it to conceal or distort them, which is the case at the present time. Or to put the matter another way, we have to resolve the economic paradox, and to make it impossible for a world to starve in the midst of plenty. I do not propose to enter into any great detail as to the technical methods by which this may be done. They are quite well known, and you have here in Manchester an active and well-informed group of economic students who, I feel confident, will give information to any serious inquirer. Like most technical subjects, it is much better acquired individually and in leisure than through the medium of a public address. I want, in the remaining time at my disposal, to deal with what is in some respects of even more practical importance.

We are most of us under the conscious or unconscious delusion that it is only necessary to obtain a considerable body of people who are in agreement in regard to the desirability to a given line of action, for it to be possible to obtain effective action in accordance with, at any rate, the wishes of our majority. We are brought up to believe that our parliamentary institutions are expressly designed for that purpose, that, as Mr. Asquith said upon a memorable occasion, in which he was carrying out a plan for the direct advantage of the banks, "The will of the people must prevail." Now the first point to grasp if my time and your time is not to be thoroughly wasted in discussing these matters, is that whatever may have been the case a few hundred years ago, the idea that Parliament as at present constituted and manipulated exists for the purpose of putting into operation the wishes of the people, is a complete myth. It would be much truer to say that in any matters of real importance it exists for the express purpose of thwarting the wishes of the people. If time permitted, I could explain to you to a large extent how this has come about, but it is of more practical importance to realise the policy of what we might call the opposition, and the best means of overcoming it. Put quite shortly, the policy of international finance is to make every problem an international problem, to

pretend that not merely individual initiative but local and national initiative must be surrendered to the decisions of some international body. Politics are to be relegated to the League of Nations, and finance is to be controlled by the Bank of International Settlements. And the reply to this policy is just exactly what you would expect it to be, and that is that it is our business to restore initiative within the boundaries of our own control.

The first step in this direction is to obtain more effective local control of publicity, both oral, through the agency of broadcasting, and printed. Publicity is just as much a public property as is sunshine, and there is much the same quality in it.

The second step is local control of local credit. (Both of these steps were elaborated.)

Out of Their Mouths.

In the pre-Douglas era the bankers allowed a good deal of their inmost thought to appear in the public writings of their secretariat. Candour was safe because nobody but themselves held the clue to their thought; and they could shout their views and hopes to each other caring nothing who overheard. Thus, in the year B.D.1 (that is, one year before Douglas's *Economic Democracy* was born into the world) or, by Christian reckoning, in the year A.D. 1918, a bankers' publicist, in the person of Mr. Hartley Withers, produced a book entitled *The Business of Finance*. It came out in the August, three months before the Armistice, and therefore at the moment when the bankers (who by that time foresaw the imminent close of the war, if, indeed, they did not move its closure) began to get busy with their plans for regaining control of the credit system. In that book Mr. Hartley Withers inscribed passages which can best be described by the title: "The Protocols of the Learned Elders of Threadneedle Street."

"At present all that can be said is that for the Government to act as an issuer of paper promises to pay is a quite new departure for England, and it is one which needs very careful watching, as it is already producing a crop of suggestions that anything that the Government needs it can easily get by printing notes in payment for it. It is understood that these Treasury notes are not actually issued at present by the Government in payment for goods that it buys, or for services rendered to it. They are, in fact, handed over to the banks, which pay for them by a draft on their balance at the Bank of England, at which the chief English banks all keep an account. Nevertheless the final result is exactly the same as if the Government were to pay the notes out in payment for purchases, and, as we shall see later, the creation of currency in this manner has serious drawbacks attached to it."

"It has been pointed out before now that if the working classes would for a few years forego the use of alcoholic liquors, they could themselves acquire a store of capital which would go a very long way to ridding them of dependence upon the capital supplied to them by other classes. In a speech at a Labour Congress held in August, 1917, a very interesting statement was made by Mr. John Hill, its President:—

"We have arrived," he said, "at a working agreement which aims at every trade unionist being a co-operator and every co-operator being a trade unionist, and supporting co-operation industrially and politically: they to be our bankers in time of prosperity and our leaders in time of adversity."

"This is a process out of which a highly important movement may arise, and anything that can be done by the machinery of finance to quicken a movement by which the working classes will themselves become capitalists will be of the utmost importance to the economic stability of all countries in which it is developed and the future material progress of mankind."

The Bank=Lords' Finger writes; and having writ,
Writes on; nor all their Piety nor Wit
Shall lure it back to cancel half a Line,
Nor all their Tears wash out a Word of it.

Sociology and the Law.

The incident of the "public rebuke" administered by Mr. Justice McCardie to Lord Justice Scrutton (recorded in the morning papers of May 25) is symptomatic of the general confusion in the counsels of the nation's leaders. The confusion can be illustrated from an earlier case than the one which gave rise to Lord Justice Scrutton's criticism of Mr. Justice McCardie, one in which the latter had to deal with a woman who had taken the life of an "unwanted" child. She had already had seven children, and, as usual, far too little money to support them; and the prospect of a further inflation of human life was too much for her courage. Mr. Justice McCardie virtually remitted the legal penalty, and thought that her imprisonment and her suspense while awaiting trial on this grave charge were a sufficient punishment, having regard to all the merits of the case.

But this outcome of the case opens up a dilemma. The conditions that drove this woman to kill her child still persist, and are expected by Parliamentary authorities to become intensified. Now, while humane people will approve Mr. Justice McCardie's softening of the penalty in this case they would be shocked to contemplate an extension of the crime; and it is a very delicate matter to decide how far the deterrent effect aimed at by the law can be preserved if the judgment comes to be regarded by the poorer classes of the community as a precedent for future cases of a similar character.

Speaking of deterrents raises a grim question, which is this: Do the fundamental principles of public finance logically point to the tolerance of the risk of an increase in the number of such crimes? Will the financial system operate more soundly and smoothly within the framework of its own code of laws if child-slaughter is allowed, so to speak, to find its "natural level"? This is not so fantastic a matter as it appears. Students of the history of what Lord Hewart calls "administrative lawlessness" will have become aware of the insidious extension and application of the principle that the humanities must conform themselves to the mechanics of sound finance. The question of the extirpation of redundant citizens has nowadays to be referred, like many others, to the exigencies of financial policy before conscience is allowed to pronounce an opinion. Let us accordingly examine the case without reference to morals, and treat it as a problem of applied financial science.

Mrs. "X," we'll say, introduces into society something which is popularly known as a baby, but which, in order not to confuse the analysis with emotional repulsions, we will describe as a *some thing* bearing a serial number—let us say No. 8. Now how does the acquisition of this thing, No. 8, affect the mechanics of finance? We can get one line on the answer by reference to a recent advertisement put out by the United Dairies to the effect that a child requires so much milk a week, the quantity specified working out, according to the calculation of one of our lady friends, at nearly four shillings a week. Capitalised on a five-per-cent basis this comes to a sum of approximately £200. This measures a new financial liability placed by Mrs. X on society. And no corresponding new financial asset comes into existence to meet it. This is true, whether Mrs. X is able herself to discharge the liability or not. For the essential mechanical fact is that No. 8 is a new leak in the economic system through which milk is going to escape that otherwise would not have escaped. One may see, then, in the severance of an umbilical cord a loosening of the bonds which hold society together in a state of financial security.

Conversely, the elimination of this thing, No. 8,

by whatsoever means carried out or by whom, stops the economic leak and restores financial stability—provided the cost of extirpating the danger is less than the saving to be effected by it. Mrs. X, happily, would perform this service to society free of charge. No remuneration would be allowed her by the Court, and the only cost to society would be that of her maintenance in prison while awaiting trial. So, for a non-recurring expenditure of, let us say, £5, there is discharged a prospective liability of £200, and goodness knows how much more when this No. 8 had added further leakages to the milk-leakage. For once let the blight of personal consumption get a hold anywhere, and there is no way of localising its ravages. So it will be seen that Mrs. X is quite unwittingly applying the well-approved principle of rationalisation to the family; and the benefit to society is none the less because the redundant thing she scraps happens to be a No. 8 person and not a No. 8 plant. Finance is more impartial than the Deity; for whereas God does not respect any person more than any other, Finance does not respect any person more than any machine. The criterion of value applied to either under financial law is simply this: "Can *he* (can *it*) recover his (*its*) cost?"

Mr. Justice McCardie little realised, when he virtually pardoned this woman's offence, how completely the logic of financial science reinforced the dictates of his own humanity. And if any cold, calculating critic should ever accuse him of sentimental weakness, he can turn round and prove that such "weakness" was really imperatively demanded in the interests of the State.

It has to be observed, however, that lethal rationalisation is not always such a profitable transaction for the State as in the kind of case under discussion. It is one thing for a Mrs. X to take life to save expense, but quite another for a Mrs. Y to take life for motives of gain. The moralist would say that the two cases were identical in principle; for the motive in both would be of a sordid nature. But the question of motive is irrelevant to the financial consequences of the act. Suppose that Mrs. Y has a child on whose life she has taken out an insurance policy worth £300. Then, assuming the capitalised liability of the child to the State to be £200, the slaying of the child would involve the State on balance in a financial deficit of £100. In such a case it is more than doubtful if the Court would allow weight to Mrs. Y's plea (however true) that she was so desperately hard up that she killed child No. 8 in order to gain the means of supporting children Nos. 1 to 7. We may deduce a rule of financial law from this aspect of the problem, and say that *insured life is sacred*. This is not consciously admitted by the Courts, but it is beautifully woven into the legislation which determines the judgments of the Courts, so that it works out just the same as if it were formally codified and publicly recognised. When Fox was convicted of murder for setting his mother alight, and was hanged (and, admitting his guilt, properly hanged) for taking life, his crime might easily have gone undiscovered but for the fact that Mrs. Fox was a ward of the Insurance Combine to whom the preservation of her life was a financial asset. To protect that asset the Combine put its own detective force on the job. And thanks to its highly efficient work Mrs. Fox's death was prevented from becoming a financial claim on the Combine, and by extension, on the resources of the State, of which of course the reserves of the insurance companies are a preponderating part.

This line of analysis helps one to decide whether judges should bring "sociological knowledge" to bear on their judgments (Mr. Justice McCardie) or whether not (Lord Justice Scrutton). However defined and applied this "sociological knowledge"

Theatre Notes.

By John Shand.

A BUSY WEEK.

The Shakespeare Memorial Theatre.—I went to Stratford-upon-Avon the other Saturday, and, before I left, the Avon was nearly upon Stratford. Apart from an evening at the new Memorial Theatre, I had an interesting, even an adventurous, trip. For on the Sunday I walked to Leamington, and my way was made circuitous by brooks that were swollen into rivers, by rivers that had hidden their banks under muddy depths of dangerous water. Bridges, flooded to their parapets, were to be crossed only on a farm-cart on payment of twopence to an enterprising villager. In an inn, over a glass of bitter, I was entertained by an old farmer with an amusing tale of scandal about a lady of the manor, her absent husband, and a guest who was a late monarch of this realm. . . . But these things are to be told elsewhere. The new theatre is to be seen at its best from the five hundred years' old Clopton Bridge after dark, for then the building, strongly illuminated, takes on quite a dramatic quality. By day it is not so exciting. They are foolish who compare it with a prison or a jam factory. To me it looks exactly like a theatre—a building, to be sure, which so few people have ever seen in the round that on the principle of 'eaving 'alf a brick at a stranger I believe their dislike is to be explained by the fact that they are seeing a theatre for the first time. If you consider, most of us have viewed only the façade of a theatre. Theatres are usually sandwiched between other buildings. Theatres which expose more than their façade—such as Drury Lane or Covent Garden—are so hedged about with streets that they cannot be seen as architectural wholes. The old Memorial Theatre, a monument to the Victorian tradition, tried to appear and succeeded in appearing to be anything but what it was. Coming upon it by accident you would never have said: "There's a theatre." It is the first virtue of Miss Scott's erection that you could not possibly imagine it to be anything else, for its exterior form completely expresses its inner requirements. Regard the undisguised hump which, as in all theatres, has to house the lifted safety curtain, etcetera. The auditorium is elegantly luxurious, the seats are comfortable, the foyers spacious, the programmes free, the prices of admission reasonable, the plays by Shakespeare. There is lacking only a company of moderately good players directed by a man of imagination. Except for Mr. Randle Ayrton and, a long way behind, for Miss Fabia Drake, there was no one in the cast of "A Midsummer Night's Dream" (the play I saw) who should have been allowed on the stage of what is one of the famous theatres of the world. When I reflect to what depths of dullness these actors and the producer, Dr. Bridges Adams, reduce Shakespeare's play; when I measure how completely they emptied the poetry out of it to fill the vacuum thus created with uninspired "business"; when I consider how dire was the translation of Bottom, the imaginative weaver, the elf-charmed fool, into a vulgar buffoon by the music-hall tomfooleries of Mr. Roy Byford—I ask, with some surprise, why Dr. Adams is allowed to choose and to direct such a company and to exhibit their combined mediocrity to the astonished gaze of intelligent English and foreign visitors? It is sad to think that these actors are held up to the view of the world as those held fit to play Shakespeare in the theatre dedicated to his memory. The Avon itself took water at this triumph of the prosaic and the commonplace over the effusions of

must import into cases humanitarian considerations which otherwise would be excluded. But since there is hardly a case conceivable on which the judgment does not either depend on financial axioms and procedure or does not entail consequences of a financial character, the criteria respectively of sociological and of financial judgment would have to be mutually concordant to be mutually helpful. But they are not. They are in point-blank opposition. *Social Mercy* cannot temper, it can only blunt, *Financial Justice*. The conclusion to which one is driven is that which seems to be suggested in Lord Justice Scrutton's attitude, namely, not to burden the Courts with the responsibility of reconciling the rule of law with the rule of public conscience. If there has got to be a dilemma it were better to leave society to solve it, since society created it. Readers are familiar with our former remarks on the financial crime of excessive prescription. And although Lord Hewart made reference to the undoubted fact that the health of the patient in such a connection should be taken into consideration as well as the cost of the treatment, this would throw an extra factor of confusion into the business of adjudication under the present conditions. It will be seen at once that a judgment by any court that a doctor may, in his discretion, exceed the expenditure on treatment prescribed by the Ministry of Health would in effect impugn the axiomatic principle that the balancing of the Budget takes priority over every other consideration. In one sense, already, the confusion caused by Justice lifting the bandage from her eyes to take a momentary peep at humanity can be recognised in contemporary events. It was to be seen in some of the remarks made by one of the Lords Justices who tried the Waterlow Appeal in the House of Lords, which were to the effect that whichever way the judgment went it would produce some "startling consequences." And as we explained recently in reference to this case, there is every probability that in the minds of some of the judges there was confusion as between the facts themselves as concern the value of a new note to the bank of issue and what might be called the sociological consequences of a decision that the notes were costless. It will be observed in this particular case that the element of "sociological knowledge" brought in played a part in the success of the bank in securing judgment. But this is not incompatible with the antagonisms we have just spoken of; because here the "sociological knowledge" when defined and examined would be found to be, not *knowledge* at all, but rather an uneasy feeling that the discrediting of an expert financial submission must somehow or other cause an injurious disturbance of economic and social relationships. It is the repetition on a higher plane of the example of finance exploiting the dictates of humanity when it serves its purpose, as illustrated by the Fox murder case alluded to.

The judgment delivered by Lord Justice Scrutton in the lower Appeal Court will be seen to be consistent with his present attitude towards the inter-mixing of "sociological knowledge" with the legal interpretation of direct evidence as to facts. In delivering that judgment it was as if he had said to himself: "My duty is to decide on the import of these facts considered in isolation from their possible consequences outside this court, and whatever those consequences may be it is the duty of Parliament, and not this court, to take cognisance of and to deal with the situation created by them."

The moral will be apparent to all students of Social Credit. It lies deep down in the fundamental opposition between the picture which finance has drawn of what sort of society it wants and the picture which every ordinary member of that society desires to see an actuality.

native genius, and it rose in criticism until the theatre was unapproachable except by boat. There was another genius, though of another race and of a lesser sort than Shakespeare's, who once and for ever captured and embalmed with delicate satire the overpowering atmosphere of pretence which fills the town of Stratford. Those who have chuckled over Henry James's delicious comedy, "The Birthplace," will understand why I wish he were still alive to write another tale called "The Memorial Theatre."

"Casanova."—Mr. Vincent Crummles, of glorious memory, would enjoy himself at the new Coliseum spectacle, "Casanova," for there he would find his philosophy of "good theatre" in full blast—if I may so express it. The fact that Mr. Erik Charell has greater mechanical and financial resources to draw upon than had Mr. Crummles would never deceive this astute manager into a belief that the Coliseum, to quote Sir Oswald Stoll, was showing "something new in the development of theatrical art." Mr. Crummles knew all about London managers. "We'll have a new show-piece out directly," he said to Nickleby, who was to write the "book" for him over the week-end. "Let me see—peculiar resources of this establishment—new and splendid scenery—you must introduce a real pump and two washing tubs. I bought 'em the other day. That's the London play. They look up some dresses and properties and have a piece written round 'em. They keep an author on purpose." The difference between the pump and washtubs of Mr. Crummles and the scenery and triple turntable stage of the Coliseum is one of degree only. The elderly lady who sat next to me on the first night—she had paid twenty-four shillings for her seat—took me by the arm more than once to tell me that she "would not sit through this show again for any money." I felt my position acutely, and was diplomatic. But I suggest to those who wish to see the "new and splendid scenery and costumes of Professor Ernst Stern, who wish to examine what Mr. Erik Crummles—I mean, Charell, has done with "the peculiar resources of this establishment" in St. Martin's Lane, that they take their seats in time for the last part of the performance. They will then see the scene called "Carnival In Venice," in which the army of well-drilled supers and the mountains of scenery are carried round and round on a giant roundabout; in which the be-wigged and be-costumed orchestra blows at full strength, aided by the combined lungs of the singing company and by dozens of automatic drums placed about the auditorium that rattle altogether when the conductor presses the button; in which the hundred thousand million candle power of lamps (perhaps I have put in too many candles) are all alight. Coming then, they will avoid all the dull dialogue and feeble humour provided by "the author kept on purpose," whose only excuse for his "book"—it is rather a poor one—is that the spectacle is enough. In my opinion—and it is not a singular one—spectacle is not enough when it has to fill a three hours' entertainment; and I think it would be a vast improvement if much of the "play" about Casanova were scrapped and if a great deal more dancing by the excellent Miss Winklestern and her troupe of ballet dancers, a great deal more singing by various songsters, and so forth, filled its place. There is one person only in the cast who has enough acting ability to give the vacuous lines the quality of drama. She is Miss Marie Lohr. For the few minutes that she takes the stage she gives one undiluted pleasure and by reason of what, when all her qualities are added up, still remains the secret "something," the inexplicable synthesis, of personal power, she seems to be alone upon the stage; and all the dancers, the supers, the singers, yea, the great turntable stages themselves,

dissolve and, like Prospero's insubstantial pageant, fade, leaving not a rack behind.

"Twelfth Night."—This production of Shakespeare's perfect comedy is probably a great deal better now than it was at the first performance, when it was played, beyond question, too slowly as a whole and without sufficient variation of pace between the scenes. But that cast is a good one which includes, as does the present one, Miss Phyllis Neilson-Terry, Miss Jean Forbes-Robertson, Mr. Robert Atkins, Mr. Arthur Wontner, Mr. John Laurie, and Mr. Cecil Ramage; and the formal settings and costumes designed by Miss Molly McArthur in black, white, silver and grey, please the eye and make for contentment whenever one is inclined to yawn over the acting. Miss Neilson-Terry, armed cap-à-pie with the beauty, charm, physique, voice, manner, and the inherited and apparently inalienable talents of the Terry family, makes Olivia the leading part almost without effort; and her inability to suggest (to me) any warmth of feeling for the disguised Viola is possibly a deliberate and correct interpretation of Olivia's character. For does not Viola say to her: "I know you what you are: you are too proud"? Miss Forbes-Robertson's Viola is a lithe, delicate creature, full of swift feeling, somewhat lacking in the music of the verse, very lovely to look upon, her dark beauty being accented by the dazzling simplicity of her white male costume. The lyric poetry in Orsino's part is not blurred in sound or in cadence by Mr. Ramage. The comic characters are less satisfactory and they would, I believe, give the audience more pleasure if the actors sought for the rich humour in the text and reduced their efforts to find the laugh in rather tiresome and old-fashioned "business." But I am grateful to those who have risked staging this play in the West End of London, and hope it will attract enough custom to persuade them to continue such daring exploits in managementship.

The Stage Society.—As the fourth production of their thirty-fourth season, the Stage Society gave us an English version by Mr. Ivor Montagu of "Le Cocu Magnifique," by Mr. Fernand Crommelynck. The play has been acted, one is told, in most European capitals, and is therefore the kind of thing that members of this society are curious to see. There is a highly comic notion at the back of this piece: it may be well expressed in the original work: it is not well brought out in this particular translation and production. The basis of the plot is a husband who, growing jealous of his quite innocent spouse, so torments himself by the necessary lack of evidence against her that he forces her to be unfaithful—first with one man, then with another, until, at his own request, all his neighbours have made him cuckold. Even then he cannot be sure (a) that she is not pretending to deceive him, or (b) that any of the men he has forced upon her included her chosen lover. So, his own Iago, he still maddens himself, and she leaves him at last, still lunatic, for a less exacting fool. As I say, a genuinely comic notion, but the development of it in the Stage Society production left one without an explanation of the play's success on the Continent.

Other visits this week to the theatre have included a new play at the Gate Theatre called "The Challenge," and the four-hour performance given by the five amateur dramatic societies who, out of hundreds of entrants from all parts of Great Britain, reached the final triumph of showing their paces in a London theatre. This annual "Festival of Community Drama," as it is called, is an excellent focus for the widespread and growing interest in the amateur theatre; and the yearly winners of the silver cup presented by Lord Howard de Walden, no less than the four final teams who yearly fail to win it, are quite aware of the insuperable difficulty for the ad-

judicators of awarding definite marks for their respective virtues. So the winners are not too cock-a-hoop, nor the losers unnecessarily downcast. It is a festival, not a competition.—About the Gate Theatre I may have a few words to say next week.

The Films.

Polly of the Circus: Empire.

Marion Davies' new film will be a disappointment to anyone who remembers her excellent performance in "The Politic Flapper." The production is on the whole old-fashioned, and is not up to the Metro-Goldwyn-Mayer standard. Although the story of a circus girl who marries a parson, leaves him to return to the trapeze so as not to injure his career, and is then re-united to him, is credible enough, if rather on "Peg's Paper" lines, the manner of the ending is ridiculous; the husband and his bishop-uncle dash after Polly and, seemingly unmindful of the possibility that the surprise may tumble her off the trapeze, force their way into the ring, whence they gape up at her like two moon-calves. Still, I suppose this is what the trade calls "good for popular audiences." As the parson-husband, Clark Gable is unexpectedly good, by which I do not intend to derogate Mr. Gable's previous performances, but he has so often been cast as the toughest of he-men that it is surprising to see him in a dog collar and making the role of a clergyman convincing.

The Crooked Lady: Empire.

This English film, made as a Metro-Goldwyn-Mayer quota picture, is also not up to the standard set by its sponsors. It is an artless enough effort, of entire mediocrity, which again demonstrates that whether a film is made in England by British or American producers the odds are distinctly against its being a good film. "The Crooked Lady" is, however, not quite so painfully slow as most native productions, although the acting has the usual Elstree defect of stagginess. The cast includes George Graves, who is not too good and not too funny, Ursula Jeans, and Isobel Elsom. I am again left wondering why the Mesdemoiselles Jeans and Elsom should ever be selected to play for the screen when their technique is so wholly that of the stage. Leslie Hiscott directed.

The Devil's Brother.

Under the title of "Fra Diavolo," the Italian version of this German-Italian picture was shown in London for a short season last year. Technically, the production is interesting; it combines to some extent the technique of the film and grand opera, and remains definitely cinematic. An excellent feature is that neither Tino Pattiera, an admirable singer who plays the title role, nor the chorus burst into song too often or too obviously; the music forms an appropriate accompaniment, instead of being forcibly dragged in, as is so often the case with musical films. The almost entirely German company is very competent, the sound recording is excellent, and in general "Fra Diavolo," while in no sense an outstanding picture, can be recommended to those tired of the ordinary run of films. Much of the photography is flat, and the lighting is dim; possibly these defects are deliberately due to prevent the voice doubling, which is well done, from becoming too evident.

The Crowd Roars: Regal.

James Cagney, who achieved stardom overnight by his playing in "Taxi," and then promptly struck for higher pay, is the latest recruit to the army of thick-ear heroes. I am not greatly enamoured of these extremely "tough guys" who are supposed to appeal to woman's fondness for the cave man (provided the cave man is not the partner of her daily and nightly life), but for connoisseurs of the

genus, Mr. Cagney is distinctly of vintage bouquet. Indeed, his Joe in this picture is one of the most unpleasant personalities I have met on the screen. The background of the film is the motor racing track, and much more might have been made of such a setting, but instead of the atmosphere of the arena and the mentality of the gladiator, we have a purely objective presentment of various American equivalents of Brooklands, plus the not very original theme of a man redeemed by the love of an impure girl. I am assured that "The Crowd Roars," which has been well received in the United States, "is undoubtedly the most exciting film ever made," and that the racing scenes "provide a series of the biggest thrills ever seen on the screen." If that really is the case, film criticism appears to have atrophied my capacity for being thrilled.

Postscript.

"A Nous la Liberté" is to be shown at Tus-saud's in the near future. Those who did not see René Clair's brilliant picture at the Rialto should look out for the date of its exhibition; those who have seen it will not require me to advise them to see it again.

DAVID OCKHAM.

LETTERS TO THE EDITOR.

"REVOLUTIONARIES AND REVOLUTIONS."

Sir,—Mr. Cousens says that "Czardom was finished well before the German High Command escorted Lenin from Switzerland to do the job which they expected he would do. . . ." In other words, that Lenin and his group merely finished off what had already been accomplished by other people. I doubt very much whether that is really so. It is true that but for the war the Bolsheviki could not have found an opportunity to take control. But I think there is a good deal to show that the twenty years of revolutionary work directed by Lenin against Czardom had a very much greater share in the overthrow of that regime than Mr. Cousens will allow. However, I have no desire to argue the point, and still less to uphold any Lenin Mythology.

Mr. Cousens says that the German High Command escorted Lenin into Russia to do a particular work, "and that was to wreck all the fairly promising efforts of the various new and revived organisations in Russia, which had some chance of rescuing the country from its slide to chaos."

That seems to me to express a non-realist attitude of mind and feeling. The very fact that these "fairly promising efforts of the various new and revived organisations" could be wrecked shows that they were not strong enough to rescue the country from chaos. They could not withstand Lenin and his methods. It is no use being "fairly promising" when you are faced with a country sliding into chaos. You must be positively effective in action.

Mr. Cousens asks where may be found any "constructive idea" in the writings of Lenin. That depends entirely upon what is meant by the term "constructive idea." Lenin constructed, and had constructive ideas about, a form of organisation capable of undermining the existing organisations of Czarist Russia. He had further constructive ideas as to how to maintain power once it had been gained. The Five Year Plan, as developed under Stalin, is also to be traced to certain writings and speeches of Lenin.

It is also quite impossible to maintain that Marx's idea of "surplus value" was not constructive.

I have the feeling that Mr. Cousens looks upon Lenin and his work as purely destructive, while he looks upon Social Credit as constructive? Yet it would be no surprise to see the idea of Social Credit generate such powerful forces for and against as to destroy this phase of civilisation in a seething chaos. Out of that chaos—if chaos comes—may arise the Social Credit State. Let us hope it can come about without chaos, but to suggest that one cannot learn from Lenin is to suggest that chaos is not "under way," and that it can never be necessary to hasten the process of disintegration.

Lenin was out to get a classless society. The war, together with the organisational method that he constructed, and the inability of the powers-that-were to deal with the situation, combined to bring about the opportunity.

The Social Credit movement is out to get an economically free society. It must, therefore, be casting about to find its opportunity. It is quite possible that the opportunity

will not arise until the present financial system has slid us into chaos. It does not matter very much whether such a state of affairs is brought about by the skill and energy of revolutionaries, or by "the feebleness and corruption" of governmental authority. The questions are: Is chaos under way, and can it offer an opportunity for the introduction of Social Credit?
S. R.

"WINGS OVER EUROPE."

Sir,—Will you permit me—now that "Wings Over Europe" has ceased its run and comment is therefore purely academic—to indulge in a few observations on your dramatic critic's "Notes" on the play?

He states: "Lightfoot is a vile name . . . as a subject for ironic comedy Lightfoot might be perfectly well; as a hero for a 'thriller' he is a sad blunder." "The play ends at the very point where it began and from which it has not moved."

It is not for me to find fault with your critic's total opinion on the drama, but I think I may be allowed to suggest that part of a critic's job is to put two and two together before he indulges an opinion on the total.

Mr. Shand makes great play with Lightfoot's name. That odd name was not chosen at random. He is called Lightfoot for two reasons, neither of which has anything to do with a "thriller," but each of which does concern "ironic comedy." He is called Lightfoot (a) because he is an angel—the Angel of Modern Science (certain spiritual affiliations of which are, as Professor Julian Huxley has pointed out, definitely rebellious and romantic), and (b) because there exists a drama by a famous English poet, named Swellfoot the Tyrant. And Lightfoot does become a Tyrant.

The play ends at the point where it began precisely because it is a form of ironic comedy, i.e., "A Dramatic Extravaganza on a Pressing Theme." This cyclic form is one which is singularly common in ironical comedy. I may add that the play could end in no other fashion since, in the words of the Authors' Note, "Lightfoot's powers are not merely the powers of a special physicist with a special secret. He is only a concentration into dramatic form of the general powers and claims of science to-day." Since your critic has not put two and two together, but has concluded that the play is a "thriller," his objection that "there is too big a proportion of talking to doing"—a "thriller" being presumably chiefly concerned with "doing"—does not hold water. Actually, such interest as the play possesses lies chiefly in the respective peripeteia of the two protagonists, Francis Lightfoot (from faith to the moral abyss of self-identification with the forces of Nature) and Evelyn Arthur (from the near-bankruptcy of benevolent opportunism to conditional faith). Because ironical comedy has since the days of Aristophanes largely depended on speech, the development of the play is not confined to pantomime. Had your critic been content to follow the "talking," of which he complains, a little more closely he would perhaps have formed a clearer notion of the play's intention and the genre to which it belongs.

ROBERT NICHOLS.

"THE MAN FROM THE VOLGA. A LIFE OF LENIN."

Dear Sir,—Just a few lines to say how gratified I was to read the admirable review on the above book in your issue of the 12th inst. I have no grounds for complaining of the reception my book has had from the Press—it has had nine excellent and four good reviews as against four fair and one adverse review—but I was rather disappointed that the more progressive papers, including your own, had ignored it. I had begun to fear that my efforts to be impartial had led me too far from my personal sympathies with my subject.

Thanking you and your reviewer "S. R." for this most gratifying review.
F. J. P. VEALE.
55, Norton-road, Hove, Sussex.

LATEST "OOZLEM" FLIGHT.

" . . . The world is living in a state of quite unaccustomed and unfamiliar introspection. As objective values have rapidly fallen, subjective values have multiplied with equal rapidity. States of mind are now seen to be more important for the world's welfare, the world's peace and the world's prosperity, and to have more direct influence upon these than the price of wheat, of cotton, of copper, of oil, the condition of the banks or the earnings of railways."—Dr. Nicholas Murray Butler, in an address to the Economic Club of Chicago, Illinois, on April 15, 1932.

Events of the Week.

(Compiled by M. A. Phillips.)

- 1932.
- May 21. France continues to take gold from U.S.A. Kreuger report—nothing for Kreuger and Toll unsecured creditors. Committee of bankers set up in U.S.A. to manipulate new credits. President Owen D. Young. New Japanese Tariffs proposed.
- May 23. Greek Civil Service Strike against wage-cuts. National Government for Japan. League refuses Austria loan. German-Egyptian £300,000 barter plan mooted.
- May 24. Fall of gilt-edged upon rumour of coming Budget deficit. U.S.A. prepares for the crisis—Federal control of police and State guards—Rumours of impending Big Business Dictatorship. Greek political crisis.
- May 25. Bank of England accumulation of foreign exchange while Bank of France liquidates foreign holdings. New Economy Bill expected in autumn. Niemeyer sent to Central Europe by League. New Zealand trade account—positive balance. Commons protest against May Committee's taxation without responsibility.
- May 26. Gilt-edged fall continues. Slump in British Industrials begins—Baldwin says no cause for "hysteria." Hamburg-America and North German Lloyd capital written down by another 75 per cent. Dividend passed. Coal-Timber barter between Great Britain and Finland. Bank of England buys £1,000,000 of gold. Canadian share slump. Rumours of run on Sun Life Assurance Co.
- May 27. Austria defaults. Ford (Detroit) losses of £10,000,000 for 1931. Japanese Troops near Soviet Frontier. Fascist-Communist riots in many Germany cities. £ begins to rise—dollar weakens.

NOTICE OF MEETING.

Social Credit Meeting, Friends' Meeting House, Keighley. Mr. Dodgson, of Bradford, will speak. Time: Tuesday, May 31, 7.30 p.m. (collection).

News Items.

Current Humour.

"Reason—like Nature—abhors a vacuum." (J. L. Garvin in the *Observer*, May 22.)

The Vanishing Banner.

At a big unemployed demonstration in London recently, a banner was carried bearing the following legend in white lettering on a red ground:—

"IT'S THE BANKERS' MIGHT WE HAVE TO FIGHT!"

This banner started with the procession from the Embankment. By the time the procession had reached Lower Regent street this particular banner had disappeared! All the other banners were floating gaily.

"Exaggerated Nationalism."

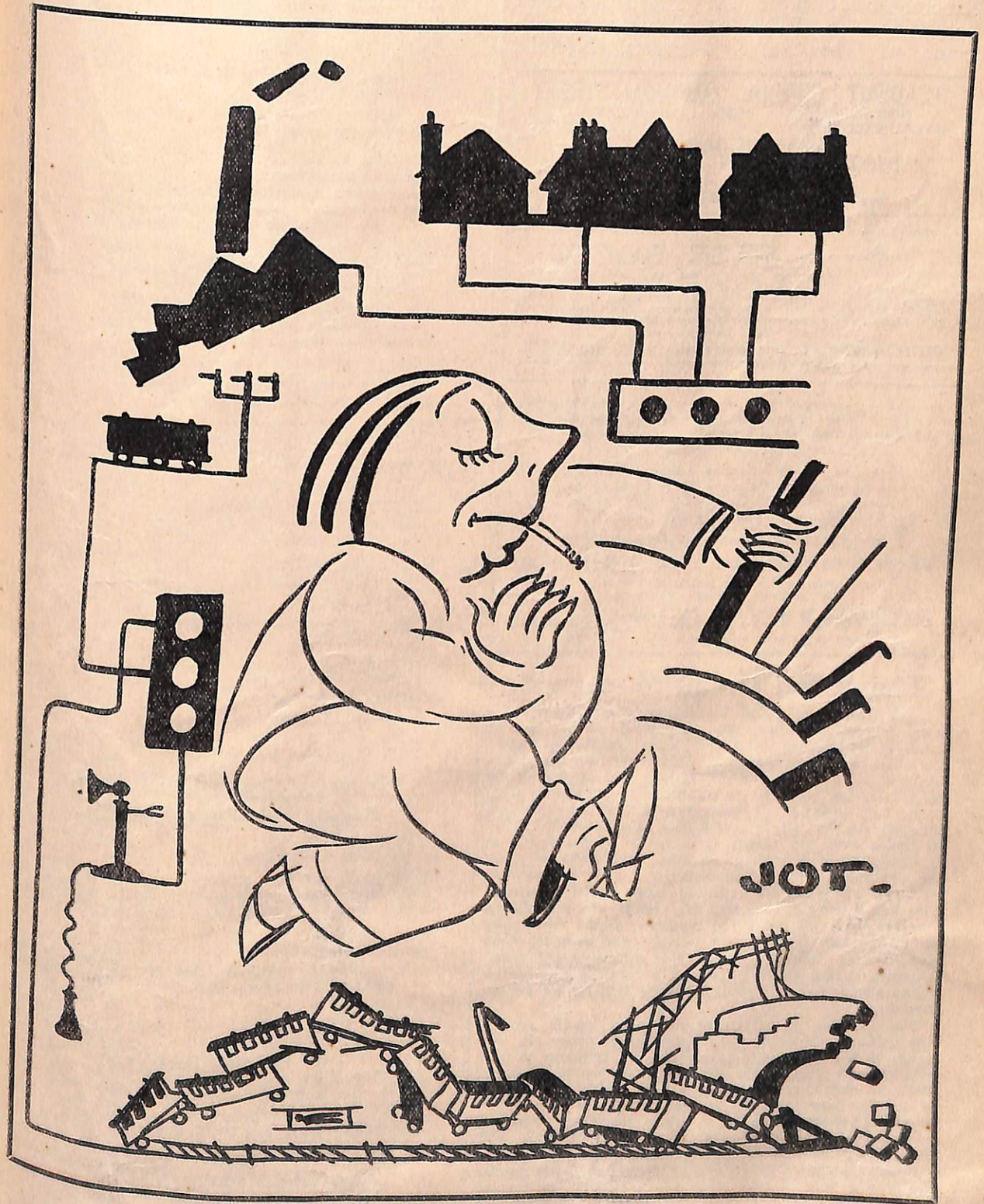
The *Observer* of May 22 refers to "fantastic excesses in the 'Polish Corridor,' and instances—'a great bridge destroyed by one race just because it had been built by another. What, one wonders, is the proper phrase to stigmatise such an episode as, for instance—a million bags of coffee destroyed by one race just because it had been grown by that race?"

Major Douglas at Glasgow.

" . . . there is always this result from the capitalisation of an attack upon privilege, that the man in the street loses something. You cannot get anything for yourself by agitating through ordinary Governmental sources. You can get certain things done, but they won't be for your benefit. The cheese will always pass over to the monkey and not to you."

"At the present time . . . there is a steady propaganda going on that the root cause of war is nationality, and the way to abolish war is to abolish nationality. As an argument that is about as sensible as saying that the cause of quarrels between individuals is the existence of individuals, and that the way to abolish quarrels is to abolish individuals."

CARTOON BY "JOT" (No. 5.)



THE POET IN THE POWER-HOUSE.

The flaw in the credit system being mechanical, it cannot be remedied by moral or aesthetic means. Art may count for more in life than science; but you wouldn't for that reason appoint a poet to run a power-house.

(Paraphrase of a remark by the Editor of "The New Age" at the last Annual Dinner.)

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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 the 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.

The Douglas Social Credit Proposals would remedy this defect by increasing the purchasing power in the hands of the community to an amount sufficient to provide effective demand for the whole product of industry. This, of course, cannot be done by the orthodox method of creating new money, prevalent during the war, which necessarily gives rise to the "vicious spiral" of increased currency, higher prices, higher wages, higher costs, still higher prices, and so on. The essentials of the scheme are the simultaneous creation of new money and the regulation of the price of consumers' goods at their real cost of production (as distinct from their apparent financial cost under the present system). The technique for effecting this is fully described in Major Douglas's books.

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