

# THE NEW AGE

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## NOTES OF THE WEEK.

### Municipal Currency Schemes.

With reference to our comments on December 8 on the advocacy of municipal currency schemes, and the possibilities of its encouragement by bodies not in sympathy with the Social-Credit objective, we have received a cutting out of the *South London Press* of December 2, reporting a meeting in Old Kent Road, at which Mr. Harry Edwards, ex-Liberal candidate for North Camberwell, explained a scheme of this character.

"Each Borough could start work schemes, and issue as wages not the ordinary currency, but 'local notes' in much the same way as relief tickets are now issued by the Public Assistance Committee. The notes are backed by the solid security of the wealth created in the shape of houses and so on. I do not think there is a trader in the Old Kent Road who would refuse to take these notes."

We are not doubting Mr. Edwards's good intentions, or questioning the educative value of his propaganda. But we are afraid that his outlook on the economic problem lends itself to exploitation by influences inimical to the Social-Credit solution. "Wealth," he remarked, "is created by productive labour." As wealth is created "so there should be a corresponding increase in the money to buy it." The conjunction of these remarks suggests that, in his view, the new money should be earmarked for paying the wages of productive labour. In fact, the headline of the report of his address reads: "Local Currency As Unemployment Cure."

Curiously enough, by the way, his address was on the subject of "unemployment and disarmament." (Our italics.) Presumably (for the report does not say) he advocated disarmament—i.e. the abandonment of "work schemes." For, from the point of view of the provision of work and wages the construction of a battleship is as effective a means of providing them as is the construction of dwelling houses. It is true that a battleship is not "consumable" in a physical sense, like dwelling-houses; but, under the existing financial system the distinction is irrelevant, the costs of both are equally be-

yond the reach of incomes. To create wealth in a consumable, instead of a non-consumable, form does nothing to turn it from an unsaleable, to a saleable form. In view of what has happened as a consequence of bumper harvests all over the world, you have only to imagine what would have happened supposing that the money spent by the world on armaments had been diverted to crop-growing, and you will see that the utility of any product is not a condition of its accessibility to the would-be user. The pacifists talk of the burden of armaments, but, as readers will recall, a prominent United States Minister publicly spoke in a similar tone about the enormous assemblage of industrial plant and equipment that had been made there during the war, calling it "a millstone round our necks." It was a millstone because the "demand," i.e. the consumers' ability to pay for the products it could make was not sufficient to keep more than a small fraction of it in operation. The remaining, idle, portion was just as inert and useless, considered as a means of providing people with goods, as are battleships and munitions; and if the money spent on it had, as a matter of fact, been spent on armaments, the American people would have been no worse off than they are now. The "burden" of this or that is the burden of its cost; and the burden of any cost whatsoever resides in the principle on which costing is carried out, not in the character of the things represented by the cost.

Mr. Edwards says that as wealth increases there should be a corresponding increase in the money to buy it, and that the troubles of the world are due to the fact that this has not happened in the past. But, apart from the implication that there is already a lag to be overtaken, if an increase in incomes is to "correspond" with an increase in wealth, and if the increase in incomes is to be in the form of wages to productive labour, then the total cost of the new wealth should be no higher than the amount of wages paid for producing it. For that to happen it would be necessary to prohibit the utilisation of any existing plant, equipment, tools, manufactured materials, and even natural resources on which any work had been done, and to start afresh from the beginning with hand labour—mining, coal, iron, and

copper, digging clay and sand, felling trees, and so on over the whole range of constructional material required.

The reason is that, in principle, if, instead, you purchase any of these things you are purchasing mortgaged wealth, and the titular owner of that wealth has to apply the money you hand him to paying off the mortgage. The mortgagee is the banking monopoly, and when it receives the money it retires and destroys it. The result is that whereas your distribution of wages is so much, your total cost, and therefore your minimum price, for the new wealth is so much more. How much more may be indicated by an authentic fact told us a few weeks ago, that on a certain estate recently a building enterprise occupied a virgin site (grass, weeds, and shrubs growing on it) on, let us say, a Monday. By the following Friday week (ten working days) they had run up a terrace of nine dwellings, besides furnishing one of them throughout as a show house. Suppose we call the cost of them £2,700. If that were all labour-cost, it would mean the distribution of £270 per day in wages, or the equivalent of the earnings of 675 men working 8 hours per day for the ten days at the rate of 1s. an hour. What was the number actually employed on the job and what they earned, we cannot say; but anybody in the building line can easily compute the probable figures. For a guess, we should say that the total earnings of the whole lot of them would hardly buy one of those houses at cost. Where was the rest of the cost? Well, one item was a machine for digging foundations. It displaced "productive labour" and created wealth. It was a costly machine—so costly that the makers arranged instalment purchase terms with the builders. The instalments may be considered as the "wages" of this mechanical digger. It did not get them, nor wanted them. But someone did—and he also did not want them. The "someone" was the banking monopoly, and it took them, and retired them from circulation.

Now, we are not hereby arguing against the advocacy of municipal currency schemes and experiments; but we are trying to emphasise the point that the adoption of such schemes, to be successful, must be accompanied by some provisions which prevent the leakage of purchasing power above described. Unless this is done, the municipal currency note will be of no more significance than the "Bartex" barter-note, which, while appearing to free importers and exporters from dependence on bankers' credit, is, as a matter of fact, already linked up with the bankers' credit system—for their value in any country is to be what the bankers choose to attach to them. We do not think that Mr. Edwards grasps the essential principle involved in this issue. We hope he will try to, because, if not, he—and others like him who may take up the idea—can easily be exploited by the bankers and their political agents for an object which frustrates his own.

### Petrol From Coal.

A recent correspondence on hydrogenation in *The Times* heavily underlines one or two important morals familiar to our readers. We will set out our material for comment as follows:—

- Times*. Leading article, December 10.
  - Letter by Mr. H. T. Tizard, Rector of the Imperial College of Science and Technology, South Kensington, S.W.7, in the same issue (p. 11).
  - Letter from Sir Robert Donald, of 12, Thorney Court, Palace Gate, W.8, in issue of December 12 (p. 7).
  - Letter from Sir Archibald Hurd, 1, Arundel Street, Strand, W.C.2 (same issue and page).
  - THE NEW AGE of September 8 and 15. Comments on financial intrusion into scientific journalism.
- The question at issue is whether the British nation should lay down plant for converting raw coal into

liquid spirit on the method discovered by Dr. Burgius twenty years ago. Mr. Tizard says no; and *The Times's* accompanying article endorses his arguments and conclusion. Sir Robert Donald and Sir Archibald Hurd both challenge the conclusion. The outstanding feature of the whole correspondence is that in the *technological frame of reference* all parties are agreed that the proposition is sound. It is in the *financial frame of reference* where conclusions become discordant. The proposition is proved to be feasible and beneficial in itself and in its concrete results, but its adoption is considered impracticable because it appears to its critics to be likely to exceed certain limits of financial cost.

The implied principle than Money should have the casting vote in matters of this kind was naturally to be expected from *The Times*, which, in respect of financial doctrine and policy represents the opinion of the Treasury and the City, and ultimately the Bank of England. But what we wish to challenge is the title of a person who is rector of a scientific and technological institution to take this assumption and technological institution to take this assumption for granted in forming his judgment. Is Mr. Tizard a physicist or a financier? If he claims to be both he is neither. One would imagine from his letter that he was a consulting accountant rather than a chemist or an engineer. Here are one or two typical extracts from his arguments:—

"The thermal efficiency of the production of electricity, but the higher than that of the production of electricity, using this capital cost on a thermal basis is also higher. Using this comparison I deduced that the cost of producing petrol from coal by hydrogenation would be at least 9d. a gallon, allowing for a small interest on capital. The present average wholesale price of imported petrol from natural sources is less than 5d. a gallon, and last year it was for a period less than 3d. a gallon. It is important to realise what is implied in the estimate of 9d. a gallon for manufactured petrol." (Our italics.)

He then goes on to enumerate the implications, pointing out that even to limit the cost to 9d. a gallon (a) the manufacture must be on a large scale; (b) the equivalent cost of the plant shall not exceed a certain sum (he mentions £7,000,000 for a plant to produce 200,000 tons a year); (c) this plant must be within easy access of cheap suitable coal, and cheap suitable supplies of water; (d) not more than 5 per cent. is paid on borrowed capital (5 per cent. he says corresponds to nearly 1½d. a gallon). The rest of his letter continues in this strain, insisting almost in every line on the imperative necessity of cheapness, and concluding with the final paragraph which follows:—

"Finally, I would ask one question. Is it really wise, at a time when there is general agreement that serious troubles are caused by the over-production of primary materials, to contemplate adding to the over-production of one of these materials by methods which are demonstrably uneconomic?"

So this is the type of gentleman who has been appointed to direct scientific and technological research at the Imperial College! Here is a proposition which, on physical grounds, is admittedly capable of adding to the country's economic resources, but is calmly ruled out because, on grounds of financial cost as measured by the bankers, it would subtract from what they calculate to be the financial resources of the country. The one word in Mr. Tizard's mouth that incessantly strikes the ear is the word "cheap." There was an old music-hall song in our young days, the first lines of which were:

"She was a dear little dicky-bird,  
'Cheep, cheep, cheep,' she went."  
Mr. Tizard is a bird of that kind—and, of course, the mention of birds will instantly recall the celebrated "Oozlem Bird." Mr. Tizard has flown up from a chemical laboratory to a perch in the City aviary, from which point of vantage, he

cries of derision at his baffled pursuers"! The refrain of the song alluded to was:

"She was one of the early birds  
And I was one of the worms."

And while we acquit Mr. Tizard of any intention to hunt worms, he is undoubtedly an unwitting decoy of those who do. And so is every other technologist who treats the bankers' rules of finance as natural laws.

We do not expect him, or, for that matter, his two critics, to realise fully the incongruity and irrelevance of mixing financial and technical considerations together like this. That can only be proved by reasoning from fundamental premises. But we think Sir Robert Donald will recognise the difficulty on his part of sustaining the proposition against Mr. Tizard's criticisms without first of all attacking the axioms of financial theory on which Mr. Tizard applies his tests of cost and makes these tests the overriding criterion of feasibility.

Sir Robert uses a cogent argument when he points out that the Navy depends upon imports of petrol which might be interrupted or closed down; and that therefore one object of hydrogenation is to obtain an independent supply of power for the Navy. Recent events in Persia doubly underline the importance of this argument. It is more important than he makes it appear in his letter, and appears to be aware of. It is pretty well established that the interests who would be called upon to supply financial capital for a British hydrogenation scheme are linked up with the banks, represented by the Bank of England, which in its turn is linked up and concert international policy with the central bank of a potential enemy power, viz., the United States of America. From this point of view Sir Robert Donald should see that the people who can say "Yes" or "No" to the undertaking in question are not interested in the question of Britain's naval security. It will be remembered that in the crisis of last autumn the then Labour Government had to sit idly waiting for a decision from New York as to whether they could be permitted to abate the proposed cuts in doles which they had been required to impose in this country. In principle the same sort of external imposition of policy lies concealed behind the immediate arguments as to whether Britain shall make her own petrol or not. It is well known, for example, that the United States naval authorities have been anxious about Britain's control over oil deposits ("We Fight for Oil," by Ludwell Denny—an American author—it will be remembered, gave a detailed account of the facts which created this anxiety across the Atlantic). These facts enter largely into the present policy of the United States Government of making European disarmament a condition of remission of debt. In a negative sense a veto on the proposed British hydrogenation scheme would have the effect of disarming this country in respect of a vital naval supply.

A parallel process of disarmament was tacitly hinted at by Mr. Lloyd George a few months ago in the debate on the problem of Ireland. It will be remembered that he based his objection to the claim for Irish independence entirely on grounds of military strategy. Britain could not afford, he said in effect, to leave Ireland free to enter into alliances with Powers who might become enemy belligerents, or even to declare herself neutral in a war in which Britain became involved. He did not name the United States, but everyone who understands what is involved in the economic rivalry between America and Britain and the mutually irreconcilable character of their respective policies in regard to the capture and retention of external markets will interpret him in that sense. There was mention recently

of a rumour relating to the idea of linking the Irish currency with the dollar. It was a vague rumour, and we have seen no evidence to support it. But undoubtedly the transfer of the control of Irish financial policy from the Bank of England to the Federal Reserve Board of the United States would automatically open up avenues for American commercial and military plans whose outcome would result in much the same situation as if Britain were now to cede the Irish Free State to America. That this would find favour in Washington may be taken for granted in view of the repeated hints to Britain, and also to France, from that quarter that America would accept the cession of our West Indian possessions in lieu of debt-repayment. A dollar Ireland could easily become an American Malta—a prospect which no British Statesman, however sympathetic to the purely economic and political freedom to which the Irish Government aspires, could be expected to tolerate. On certain conditions, as our readers are aware, Dublin could cease to be a satellite of London without becoming a satellite of New York; but those conditions involve a reversal of certain fundamental financial axioms which no responsible statesman in any of the three countries has as yet shown a disposition to challenge. Our readers, who grasp the flaw in them, will realise that in the last analysis the reason why Mr. de Valera's plan for making Ireland self-supporting in terms of peace-supplies appears to be impracticable is the same reason why the plan advocated by Sir Robert Donald and Sir Archibald Hurd for making Britain self-supporting in terms of war-supplies takes on the same appearance. The obstacle in both cases ultimately originates in a false concept of the nature of cost, which gives rise to an incorrect monetary expression of such cost, which in turn leads to the drawing of false inferences as to the practicability of concrete undertakings. The apparent weight of Mr. Tizard's conclusions is due to the acceptance, both by himself and by those who favour the scheme he criticises, of the above false inferences as natural laws. Thus the spectacle of scientific sense trumped by financial nonsense.

Let us quote *The Times* in this context.

"The process now appears to be a technical success, in that it can produce spirit of a very high quality. If all questions of cost, durability of plant, and accessibility of raw materials are left out of account, there is no technical difficulty in producing in this country supplies sufficient to meet the whole demand for petrol.

Then follows this classic, worthy of the front page of Captain Cuttle's note-book.

... the proposal to start hydrogenation on a large scale in this country is certainly attractive from the point of view of public policy, but extremely risky from the point of view of public finance."

1.—M.E.—295.

The premises on which *The Times*, like Mr. Tizard, relies in making these arbitrary statements have been challenged by Major Douglas in terms which, fortunately, are now on official record in the first volume of the Evidence taken by the Macmillan Committee, and are to be found on pages 295 *et seq.* Hence the cryptogram employed to head this section of our notes—an identification mark which will wear a familiar look to Sir Archibald Hurd by reason of its similarity to the naming of submarines and other naval vessels. We mention Sir Archibald in this context because he is an authority on the technique of the navy and on other problems involving the handling of physical materials and forces; whereas Sir Robert Donald's experience has been

confined to political journalism, a field of activity which lies outside the frame-of-reference of natural law, and occupied by types of functionaries whose job does not call for orderly, systematic thinking, but rather for disorderly, haphazard debating. As an illustration, we may ask what has become of the big journalistic champions of the Free-Trade principle who, not long ago, were insisting on the imperative necessity for Britain to stick to it on pain of extinction otherwise? Or what has happened to those editors who were, not so long ago, kissing Norman's toe, and who are to-day pulling his leg? Our readers know the general answer: it is that the British Press is virtually the Bank of England's "House Organ," and is obliged to use its influence over public opinion first of all to stimulate people's hopes in the bankers' experimental trials, and afterwards to gloss over their experimental errors, even to the degree of suppressing criticism pointing to the source of those errors. Take British fiscal policy. Free Trade, we are told, has proved a failure. The truth behind this vague diagnosis is that the bankers' principle of calculating the national cost of national production prevents the distribution of more than a fraction of the products. Major Douglas's Statement to the Macmillan Committee contains material on which this truth can be verified by anyone competent to recognise the facts on which he relies, and to follow the reasoning on which he bases his conclusions. To all such investigators, the so-called "uneconomic" character of the hydrogenation scheme would be seen to rest on a numerological phantasy. And so with other schemes of similar character.

The flaw in the price-system will be seen to lie too deep to be remedied by such a superficial device as that of a change over to protective tariffs. And this is why the bankers, though inveterate Free Traders on the long wave-length, are quite willing to let the people try the "Protection" experiment. It is a diversion calculated to renew their hopes and thereby to divert their attention from the faulty technique which perpetuates economic frustration. Sooner or later the people will discover that Protection has "proved a failure"; and when that occurs the bankers will appear on the scene to a mighty fanfare of Fleet-Street trumpets, suggesting that we came off Free Trade too suddenly, or rushed into Protection too clumsily, and so on, too this, too that, too, too, too, oot, toot, toot, until the argument passes over again to the trumpeters, and the confused ears of the populace accept the noise of the band as the voice of God enjoining them to leave everything to the high bankers, the Expert Equilibriumary interference to produce their Plan of Cosmic Co-ordination in which the too's of human frailty will be swallowed up in the one-ness of superhuman wisdom. All this sort of thing you'll be able to buy for your penny. But if you want to discover the snag from any publication issued in this country under authoritative official auspices you have to pay thirty pieces of silver for the first volume of the Macmillan Evidence.

#### Bargaining With the Bankers.

However, it is worth the price to any investigator whose mind is sufficiently balanced to resist the insidious temptation to abandon verified technicolour criteria and calculations in the face of the unverified financial criteria and calculations offered by the bankers. We allow ourselves to hope that Sir Archibald Hurd is a man of this type; and if so, and he means business, we suggest to him and others associated with him in support of the project under discussion, that instead of arguing its technical merits any longer they employ Major Douglas's line

of argument to challenge the validity of the adverse conclusions reached by Mr. Tizard and *The Times*. In fact, we think it a good sporting wager that if such a group made a gesture of agitating for an investigation of the subject in the light of the Douglas Analysis they might, by that alone, overcome the official resistance to their scheme. If the bankers find it a business proposition to spend £5,000,000 to block Social-Credit propaganda among the masses, as is credibly alleged, it would be well worth their while to pay £7,000,000 to stop embarrassing talk among the classes—especially when, after all, the latter sum would be (a) a loan which would result in (b) the carrying out of a useful and "attractive" scheme and the construction of a new physical asset, not to speak of the fact that the loan, in any case, would be in the form of new credit, which, by reason of the technique of its creation, is not the property of the banks, but that of the community without whose activities all financial credit is valueless and meaningless. The basis of the above suggestion is that, if you want anything the bankers do not approve, you won't get it by persuasion, but only by effective bargaining. The efficacy of the bargaining-instrument employed depends upon its embodying an element of coercion. The coercion in this case would be that of saying—if you meant it and could do it: "If you do not let this thing through we will make things uncomfortable for you." If anybody says that this is unconstitutional our answer is (a) that banking is a private institution, and a direct bargain with bankers is no more illegitimate than any other business bargain; and (b) that the bankers have used their financial power to cook the Constitution. Bankers' bye-laws have become civil laws. The centre of gravity of the British Constitution to-day is the Bank's Power of Veto on economic and political policies without reasons. And, as if that were not enough, the Bank has, and exercises the power of vetoing, or at least circumscribing, discussion even of the merits of policies which they consider undesirable.\* On these grounds there is no method of preventing the bankers from having their own way that is not, constructively at least, a breach of the "law," or the "Constitution." This conclusion does not rest on any technical theories of finance advanced by credit reformers of any description: it is the automatic consequence of the political power and policy of the bankers, as can be verified by anyone who takes the trouble to study the existing structure of the governmental system. And so, to revert to our suggestion, the answer to the verdict to be handed on the hydrogenation policy and scheme are likely to become a national financial liability lies in opening up the question whether the policies and schemes of the financiers are not a national economic liability. We have shown that in their present application they undoubtedly undermine Britain's military security, which rests, in the last analysis, Britain's economic opportunities for overseas trading. It is an ironic reflection that the necessity imposed on this country to capture foreign trade proceeds from the same financial policy as that which now prohibits steps being taken to safeguard that trade. It is time for enterprising Britons, whether they grasp the social-calities of Social-Credit or not, to hoist the Social-Credit colours. And, we may add, to make sure that they don't fly them upside down, they had better emblazon them with the emblematic device: 1 — M.E. — 295. As we have hinted, we are not asking that business-men should go in for a general crusade against the bankers for the sake of the thing.

\*A slight, but significant, indication of this sort of thing appears in *The Times* in respect of the correspondence. Whereas Mr. Tizard's adverse verdict was published on the right-centre page opposite the supporting leading-article, the two letters appealing against the verdict were relegated to a comparatively obscure page.

all we are suggesting is that since the bankers do not want Social-Credit to be talked about, the obvious thing is for them to start talking about it, and go on until the bankers give them something to stop! Of course people cannot play this game on an overdraft, but if they are immune from financial pressure, are willing to try it, and have a straightforward and desirable public object to attain, there is, in our judgment, an even-money chance that this costless procedure will encourage the bankers to do a deal with them. There's bank prize-money out—and, as the popular-competition publicity-agents would say: "Make This Money Yours!"—"Why Not Get Your Share?"—This tip is for the benefit of the public outside the Social Credit Movement. We can afford to give it because it makes no difference to us what terms the bankers exact as a condition of dispensing their benefactions; nor do we suggest that anyone whom they "buy in" should double-cross them. They are being defeated by their own acts, anyway, and they are playing for time by paying for it. This being so, our immediate hope is to see them bled good and hard, and we shall be only too gratified if our suggestion leads to somebody winning a prize.

#### "Plebs" on Douglas.

In the December issue of *Plebs* there is an article entitled "Douglasism or Socialism." Mr. Arthur Woodburn, the author, is also the author of a book called *An Outline of Finance*. He quotes Major Douglas's statement before the Macmillan Committee: "That the primary cause of the industrial depression and consequent unrest is financial." He then comments: "... and Lord Macmillan, who does not profess to be an economist, himself completely exploded it in his heckling (p. 299 of evidence)." He shows it as follows.

"Having made quite certain that Major Douglas maintained that the trouble was due to a defect inherent in the financial system, Lord Macmillan said that must have been there for one hundred years, and Major Douglas assented, and agreed that the financial mechanism had been wrong in a technical sense from the beginning. Lord Macmillan then 'stumped' Major Douglas completely for the very obvious question, how he accounted for the fact that there have been periods of quite excellent prosperity succeeded by periods of depression, when, if Major Douglas's theory was correct, conditions should have been steadily worsening?"

This will be familiar to our readers as an echo of Professor Copland's remarks. It is unaccompanied by any evidence that Major Douglas was "stumped." On this question of his demeanour before the Committee we said in our issue of December 8 that where, to some people's minds, his replies to questions appeared evasive or equivocal the reason was that for the most part the questions were not directed to the matters which he put forward for examination. We will agree that in its general form Lord Macmillan's question was what is called a "fair" one from a public-meeting point of view, and it was based on the sound principle of checking a theory by reference to observed facts. Yet it was superficial and vague. To mention one or two features of it—

- It omitted reference to the nature of the technical defect alluded to.
- It did not identify the "periods" of "prosperity" either as to time or place.
- It did not define "prosperity."

We have not the text of Major Douglas's reply before us, but if our memory is correct, he said that if he looked into the circumstances of the cases of "prosperity" referred to he would probably be able to

offer an explanation of them. Such a reply was the only alternative to (a) elucidating by counter-questions the intended meaning of the question or (b) making an inordinately long speech covering all the possible meanings that might have been intended. Apart from these considerations the answer, in principle, to this type of question in any of its possible meanings, is embodied in Major Douglas's main statement, where, when pointing out the defect in question, i.e., the automatic gap between costs and incomes, he did not assert (nor ever has) that the gap was not filled up: but (as he always has) that the gap would have to be filled, if filled, by the issue of new loan-credits created by the bankers. Alternations between "prosperity" (however defined) and its opposite (in terms of the definition) are perfectly compatible with Major Douglas's complete proposition. And a familiar elaboration of this compatibility is embodied in the statement that the bankers are able to make old production fully purchasable by the community provided they progressively expand the volume of their loans for new production at a sufficient rate. And this can go on indefinitely so long as the expansion of credit takes place accordingly. The trouble begins when the expansion stops. For then the gap, which has been potentially widening at a rate corresponding to the expansion, now becomes actual and visible. What happens at that juncture is that, through wage-cuts, dismissals of workers, confiscatory taxation, reconstruction of capital, rationalisation of plant, and other methods, wages and savings are, as it were, poured into the gap, supplemented by bankers' contributions in the form of secret remissions of debt-repayment allowed to certain enterprises for reasons of policy. In actual practice investors' credits are not accumulated, as such, for confiscation at the end of the period: they are being retired and destroyed by the bankers as and when invested; and the credit still available for confiscation at the time of crisis is that which the banks have chosen to lend on the security of the shares, etc., which the investors have got. Needless to say, seeing that it is the bankers who precipitate the crisis, they are able to withdraw beforehand loans on securities in such enterprises as they foresee will suffer the earliest and heaviest casualties in the period of "readjustment." To those who grasp the theorem Major Douglas has propounded there is no mystery about the "trade cycle"; and if any people, on the strength of Mr. Woodburn's remarks, like to go about to "stump" Major Douglas's followers by the method which Lord Macmillan is held to have succeeded in "stumping" him, we advise them not to hang their jaw over the wicket when the bowling commences.

It will be of interest to record how Mr. Woodburn accounts for the "trade cycle."

"The socialist who knew the underlying principles of his faith, and who had studied his Marx, could have answered Lord Macmillan that the periods of depression and boom during the history and capitalism were due to its anarchy of predatory methods, where every capitalist guessed what he could throw on the market and every banker guessed what production he could stimulate, with the result that there were alternative applications of the whip and the brake to industry, the boom and the slump resulting."

According to this account the cause of the trouble is psychological—finance-capitalism has always been guessing. What it has been guessing at has been how to hit the mean between making more or making less than the consumption market could absorb. That is what Mr. Woodburn is saying in his own idiom. Good: but (a) what was the cause of this perpetual guessing?—and (b) what was the reason why the guessing was right at one time and wrong at another? We suggest that Mr. Woodburn dig a

little deeper for his explanation. And we recommend him, and all those who "know their Marx," to get to know their Lenin. On July 16, 1932, the General Secretary of the Kibbo Kift addressed a letter to the Communist Party of Great Britain calling their attention to a passage in the last-named leader's book: *Imperialism; The Last Stage of Capitalism*, in which he explicitly declared (a) that the banks held the fate of capitalism in their hands; and (b) that they decided its fate by manipulating credit-supplies. (The passage was quoted verbatim in the above letter, with Lenin's own emphases italicised; and the letter with the quotation is to be found in THE NEW AGE of November 24, p. 44, column 1.)

#### Other Anti-Douglas Propaganda.

Leaving the Marxians to pursue their studies we now pass on to notice a criticism by an anti-Marxian in the person of Mr. J. W. Graham Peace, editor of *Commonweal*, the organ of the Commonwealth Land Party of Great Britain and of its affiliated "Land Parties" in New Zealand, Holland and the United States. The slogan of this journal is: "For Land Restoration—Real Free Trade." In the number dated December 3 Mr. Peace reprints an article which he published six years ago (!) in reply to an article by the present editor of THE NEW AGE, entitled "Social Credit and the Landlord," which appeared in our issues of December 24 and 31, 1925. For the information of our readers we must explain that this article was not produced for immediate consumption by Land Taxers or any other orthodox reformers. It was an intermediate product intended for advanced students of Social Credit technique to finish off for the retail market if they wanted to. It was written to show that under the Social-Credit system of Price-regulation as embodied in Major Douglas's proposals the "rack-rent" exactions of the landlord class would be rendered innocuous, no matter to what dimensions they might grow. To emphasise the argument, the author assumed the case of a collective rack-rent extortion and proceeded to show how its inclusion in the financial cost of production would leave practically unchanged the financial cost of concurrent consumption, with the result that the collective discount indicated by the Price-Factor would be expanded to a magnitude of the same order as the amount of the extortion. The injury to the community would be measured by the quantity of goods which the landlords bought in the consumption market during the period reviewed.

Now, this line of analysis was bound to be bewildering to anybody unfamiliar with Major Douglas's theorem. That was its effect on Mr. Peace at the time; and presumably still is six years later. We quote one passage as evidence:

"After a lot more about 'Just Price,' Mr. Brenton commences his second article with this astonishing statement: 'A little reflection will show that it does not matter what money the landlord exacts, you can call it £10,000 millions.' Which suggests that a 'little reflection,' like a little knowledge, is a dangerous thing."

This passage is typical of Mr. Peace's article, which was just an expression of his bewilderment. His reason for reviving the subject after this lapse of time is not quite clear, but it appears in part to be that he wishes to inform his readers that he neglected to publish a reply to his criticisms. He pointedly says that he sent a marked copy of the *Commonweal* at the time "to Mr. Brenton personally, and, also, to him as editor of THE NEW AGE," since when, he proceeds, "we have not seen in his paper any mention of the subject." Quite so. But, as explained, the article was not addressed to the Commonwealth Land Party. It simply laid out in principle a method of argument which individual

followers of Major Douglas might elaborate and elucidate when in personal contact with individual followers of Henry George. We doubt if Mr. Peace, any more than ourselves, can see what good could have come out of a debate between himself and Mr. Brenton conducted in two separate journals whose respective circles of readers scarcely intersect each other if at all. We have no desire to evade any discussions on Social Credit, but with so many avenues of discussion open to us we are obliged, as a matter of necessity, to choose which to follow, and, as a matter of policy, to give preference to those which we consider will achieve the best practical results from the point of view of getting Social Credit adopted. It may yet turn out that for reasons of policy we shall consider it advisable to deal with the land question, in which event we shall do so. Perhaps that something-in-the-air which has stimulated Mr. Peace to revive this ancient and fishy episode may shortly imbue us with a revived interest in it.

We have just received a copy of Lloyd Ross's *Tickets Without Goods* from Dunedin, marked: "For review." The sender will find that this booklet was reviewed in our issue of October 27 last. We have nothing particular to add to our reviewer's comments except to remark that in the concluding few paragraphs of this work Mr. Ross seems to have been irritated (a) by the "cocksureness" of the Douglas campaigners, (b) by their tacit claim that a comparatively short study of "Douglas" economics qualifies the student to argue on level terms with (and address the public with equal authority to that of) people like the author who have devoted years to the subject. Mr. Ross has our sympathy. It is galling for him to think of the possibility of his being overtaken in school like this. But there is nothing for him to resent if he will reflect a little. It is simply a matter of ill fortune that he started study economics before Major Douglas had trimmed away that great mass of irrelevancies which has caused the subject to be called "the dismal science." Major Douglas has *unwritten* it, making the course brief and interesting. If any Douglas advocates do manifest a spirit of arrogance, as Mr. Ross suggests, he may justly remind them that they have only overtaken him because they have cut off corners to intercept the fox, thus committing that grave breach of hunting etiquette which insists on the field following the hounds along the tortuous path of the scent. At the same time he should recognise that the economic hunt is not a sport; it is, or ought to be, a direct drive for fun or fame; sults. The Douglas field are not out for fun or fame; but for food. They are under the urgent necessity of capturing the "brush" of the bankers without a yard's waste of distance or a moment's loss of time.

#### Feasting Time.

Two "Social-Credit" dinners are in prospect at the time we write. The first is fixed for December 19, and is to be held in connection with the founding of the *New Britain Quarterly* (which was reviewed in our issue of November 3). Associated with this publication, at 60, Gower Street, is the National Credit Association of Great Britain, founded by Lord Tavistock, its President. It appears to be a merger of the New Britain Group and the New Europe Group and the Eleventh Hour Movement. Its policy, as stated in the first number of the *New Britain Quarterly*, is conveyed in the declaration: "We do not subscribe to any one dogmatic system of Social Credit," and in the further statement that "as reconciliation is with us a first principle, so it is our desire that in these pages the various schools of financial reform should reveal themselves, as the first step towards the resolution of their difficulties. This being so we confess to some surprise that the

National Credit Association, heads an advertisement in *Healthy Life* with the slogan: "Direct Action For Social Credit." What sort of direct action can be taken by unreconciled schools of financial reform while in process of mutual reconciliation? However, perhaps it is not intended to suggest that the direct action is to be immediate, but that it will take place upon the final reconciliation and agreement on a "common formula" of Social Credit, which, we suspect, will include the principle of distributing a national dividend but exclude such an "unnecessary complication" as the regulation of prices—an attitude which we believe to be that of Mr. Arthur Kitson, Lieut.-Commander Kenworthy, and Lord Tavistock—to mention three people associated with the *New Britain Quarterly*. The dinner takes place at the Café Val D'Or. Sir Frank Benson is the guest of honour, and Mr. Francis Williams, the City Editor of the *Daily Herald* will be in the chair. No particulars of price for tickets are to hand, and in any case the announcement has reached us too late to be of use to would-be visitors.

On Saturday, January 7, the Kibbo Kift hold their annual Kin Feast at Ye Olde Dr. Butler's Head, Mason's Avenue, Coleman Street, E.C.2. Time, 6.30 for 7 p.m. Tickets 3s. 6d., from the General Secretary, who writes: "The old English atmosphere of this Inn should be in keeping with the Feast. Tickets are limited, but we shall welcome our friends among your readers." Dress for member is the Green Shirt Uniform: for others, Evening Dress. Most readers do not need to be told that the Kibbo Kift is officially and explicitly committed to the uncompromising and exclusive acceptance of Major Douglas's Theorem in its original and complete form, and the advocacy of proposals embodying his essential principles. Its official philosophy is closed on the Douglas objective and technique. It holds that controversy on that aspect of the problem is finished. The chief condition of membership can be summarised in the legend: "All talk abandon, ye who enter here." Not: "What do you think about it?" but: "What are you ready to do about it?"

The two bodies stand out in vivid contrast. We have said sufficient for everybody to be quite clear as to what the policies are. And it is important, too, because, so far as we can see, every adherent of Social Credit who feels the need of enrolment into an organised body will have to choose between these two organisations. A third may arise, but at the moment these occupy the field of recruitment.

### The Green Shirts.

On November 25, a member of the Green Shirt Movement for Social Credit happened to be passing a Communist open-air meeting at Mornington Crescent. He overheard the speaker saying that if the Communists were not admitted to Sir Oswald Mosley's Fascist meeting to be held at St. Pancras Baths on Monday, November 28, they (the Communists) would hold a meeting outside.

The Green Shirt (who was in uniform) pushed his way gently to the front of the crowd, numbering between 300 and 400 people. Recognising the significance of the uniform, the crowd made way for the Green Shirt.

He then asked, and was given permission, to make a statement. Facing the crowd, he announced that even if the Communists were not admitted to the meeting in question, the Green Shirts would be there to look after the interests of the working classes. This statement was received by the crowd—an entirely working-class assembly—with loud cheers, and by the platform with chagrin. The only reply the Communist speaker could find,

after several moments of hesitation, was that he did not think the Green Shirts represented the working-class interests.

"That," said the Green Shirt, "is not a matter for you, but for the workers themselves to decide." This straightforward counter-attack was received with considerable applause by the crowd.

The above is taken from the official report handed in and filed at the K.K. Headquarters. A minute in the margin reads:—

"This is one of several incidents that have occurred lately showing that the Communist leadership of the rank and file is feeble, and that the workers and unemployed are more and more inclined to pass over to the virile fighting discipline of the Green Shirt Movement for Social Credit."

The following is an extract from another report:—

"The man you mention, ———, is an intellectual (theoretical) Communist with leanings towards the Green Shirts. His Communism stops short at reading *The Daily Worker*. He has read several books on Social Credit (including one by Douglas), but he is absolutely silent on the subject. He has no reply to the case made, and merely remains dumb."

A minute in the margin of this report reads:—

"Political aphasia amongst the more intelligent members of a political organisation is always the prelude to defeat. A dumb leadership is no leadership. Only the fully articulate can take the lead."

On Monday, November 28, a body of Green Shirts attended Sir Oswald Mosley's Fascist meeting at St. Pancras Baths. The proceedings opened with a ridiculous "scuffle" between a few of the Fascists and one or two so-called Communists at the back of the hall. The Green Shirts, sitting together *en bloc* near the centre, maintained a perfect discipline—silent, still, bolt upright, arms folded, eyes front. The only part of the audience that was not in a pandemonium bordering on "Casey's Court" was that between the Green Shirts and the platform. Behind the Green Shirts—continual shindy, fisticuffs, and scrimmage. Sir Oswald put up a very poor show, and his black-shirted followers showed no discipline. The questions put by the Green Shirt spokesman completely floored the Fascist "leader." At the close of the meeting the Green Shirts fell in and marched away in good order. The Fascists scrambled into their waiting motor-coach like overgrown schoolboys at a Sunday school outing.

Sir Oswald and his "staff" have a lot to learn. *Sequel:* On December 8, Major "X," an influential member of the Mosley New Party Fascists, handed in his card at K.K. Headquarters, and was received by the Orderly Officer on duty. The thing which had impressed him most about the Green Shirts, and which he mentioned several times, was their discipline at the meeting on November 28. He said that if only the New Party's discipline was as good as the Green Shirts' "it would be able to do something." He was told that if his organisation had the Green Shirt discipline and objective, it might be able to do something worth while. I. A. R.

#### "BARTEX."

Several correspondents have sent us cuttings at different times referring to the "Bartex" system of exchanges of goods. This system is of no particular interest except to students who care to dissect red herrings. Whatever the technique of the system may be in an immediate sense, it is anchored to banking technique in its ultimate sense. That is to say, the "Bartex" barter units would in the end be valued by the central banks of the various countries concerned; in other words, the banks would control the whole mechanism of the barter exchanges.

## Music.

The starvation of the musician of music, with every fibre of his being clamouring for the sound of great music greatly played, must, I imagine, be not unlike that of a desert-parched traveller with his eyes straining to catch the first sight of the next oasis. Indeed, the two feelings are not unlike, the thirst of body for the draught of water, the craving of the eyes for vegetation, and the almost physical ache for the sound of music. The curious and interesting thing is that, unlike hunger and thirst, which are supposed to make almost any food or drink not only acceptable, but welcome, the deprivation of music only seems to make one's critical faculties all the keener, and to make one even more intolerant and resentful of inferior performances or poor music. These reflections are prompted by my own situation at the present moment, in which the only available music is that overheard from an adjacent gramophone. This instrument, an excellent electric machine, turns out with damnable impartiality dance trash, and great music played obviously by some world-famous orchestras, with even occasionally some Beethoven sonatas as recorded for the members of the Beethoven Society by no less a person than Artur Schnabel. Amazing it is to observe the equal transports with which "Because you tickled me last night" and Opus III., are listened to by the owner of the instrument. It is hardly conceivable that any one would go to the trouble and expense, at six thousand miles' distance, of joining one of the private associations such as the Beethoven, the Sibelius, or other Societies to whose members alone such records are issued, out of sheer snobbery. To begin with our neighbours here, whatever their intellectual faults may be, and the average European business-man in India is hardly a beacon-light of enlightenment and intellectual culture, are not that sort of snob, even though they be only too often another sort. Their tastes are often refreshing for their frank and shamelessly unblushing crudeness, and there is no one whom to impress with pseudo-atty pretensions, as there MIGHT be at home, in Golders Green or Surbiton. One is then forced reluctantly to the astonishing inference that he must really LIKE the better class of music he plays on his gramophone, although judging by the horrifying juxtapositions in which he will place it, one is reminded of la Rochefoucauld's observation that if one were to judge love by most of its effects, it would appear to be much more like hatred than love. Taste, it is petri-fyingly clear, our neighbour does not possess the beginnings of. Taste does not place cheek-by-jowl the ineffable transcendent hieratic beauty, the sombre grave and noble austerity of the Aria on the G string, with the more sentimental effusions sung, quite matchlessly it must be admitted, by Richard Tauber. My neighbour does all that and then some as the Americans say. It is perhaps that any sort of European noise arouses in him an ecstasy of romantic nostalgic wallowings, pardonable and excusable enough, it must be admitted, in this atrocious climate, at which even those with life-long association with it rail, and that the fact that it is music is a comparatively secondary consideration, but that as music is the most obvious form in which to carry European noises about with you in portable, and potable form, therefore a gramophone and records are indicated by the symptoms?

Be the reasons what they may, I am grateful to my musicivorous neighbour for the opportunities of hearing, for instance, a large slice of Ricard Tauber's records, hitherto unknown to me, and still unknown by name. Here again, is an anomaly, the enormous vogue of this singer with the musically half- or not-at-all-educated; and as the songs he invariably sings are the type that sets the flapper-minded of all (or no) sexes in a state of genteelly aphrodisiacal dither, it is plain that reversing the usual order of things, it is the music and NOT the singer, who matters. Tauber's singing is of such interest and excellence however, as to merit consideration from the purely musical and musicianally point of view. The voice, as such, is not remarkable, a certain roughness and coarseness of texture stamp it unmistakably as true to the type of German tenor, with which in its worse manifestations all music-lovers and musicians are unhappily familiar, in fact, used with less skill and deftness it might easily become definitely unpleasant; but the accomplishment with which a by no means promising and somewhat refractory instrument is manipulated is a joy to the amateur, using the word in its French sense. And there is very real artistry, a fine feeling for line and phrase that makes Tauber's singing a genuine musical pleasure. The delicately exact skill with which he injects into the songs he sings the maximum of romantic sentiment they will stand, without becoming insipid and revoltingly saccharine, is so consummate that one is at once

amused and delighted at the airy legerdemain of the whole thing. Tauber, himself, is not in the least under any illusion, as to the quality of the music he sings, one feels, and he also seems to be aware that there are a few among his audience who will equally be under no illusions, and he establishes a kind of free-masonic intercourse between the two with his air of "see-what-I-can-do-with-this-sugary-stuff."

Tauber's songs are the German counterpart of those unspeakable concatenations of drivel and maudlin that they call in the States "melody ballads," "theme-songs," and so on, and the sort of thing we used to hear in those bad old days of infamous memory when the "ballad concert" was loud in the land, but with a sense of style and a skill and polish of musicianship that were never allowed to intrude into these. The French used to have their own "ballads" in the songs of Bemberg, Massenet, Reynaldo Hahn, and these too reached a level of taste and musicianly accomplishment and attractiveness unknown to the English and American varieties. Perhaps it would be fairer to say that nothing exists in England quite the equivalent of the French "chanson" and the German "Melodie." Tauber, however, sings them with such a convincing air of conviction one not to be convinced! And one can be convinced with a good conscience by the authentic charm and fascination of the singing, with its delicately perfumed sentiment, and its often really exquisite finesse; for instance there is an example of this at the end of one of his songs, the name of which I do not know, but which Tauber's admirers may recognise from my description. The song, unless my neighbour was playing his instrument at a wrong speed, is the key of E major, and contains in the middle a pianissimo high B natural taken in falsetto, an illegitimate device here used with however great effect, and at the extreme end of the voice part, a rising diminuendo phrase ending on a high G sharp.

No words can convey the supreme and consummate way in which Tauber takes this phrase. The expression "letting the voice float on the breath" however meaningless it might sound to any one who did not know, here receives perfect exemplification. The tender grace, the delicate light-handed skill defeat all attempts at description, and although I have heard the same record now some twenty times, I wait as eagerly as ever for the delicious thrill of the final exquisite matchless phrase. If Tauber had never sung anything else on earth, by this one lovely phrase he would be artistically justified.

KAIKHOSRU SORABJI.

## The Films.

### The Art of the Cinema.

English film literature is richer in quantity than in quality—in fact, we have not produced a single really adequate, or even really good, book on the cinema. In "Scrutiny of the Cinema" (No. 2 of the "Adelphi" Quartet, Wishart, 5s.) an unnecessarily pretentious title William Hunter has written an essay in which he attempts "merely to assess the cinema's present achievement and possible future." Many of his aphorisms are sound enough, if not particularly original, as relation to "its place among the other arts." But, although for instance, the remark that the commercial cinema is "doing its share in accelerating the final decline of Western civilisation." . . . The Americans are especially expert in speculating on the bad taste and curiosity of its present stage-cated public," and that "the cinema in its present stage of development is more of a science than an art." But, although directors are engineers rather than artists." But, although Mr. Hunter expressly admits that his sketch makes no claim to be exhaustive, he has not formulated any very satisfactory doctrine of the relation of the cinema to other arts; it is not enough to point to the obvious facts that the film is still in its infancy, and that as an art form it has both inherent disadvantages and limitations, as well as potentialities available to no other medium.

Mr. Hunter very properly emphasises the mediocrity of the "morass of film criticism," but he is not very successful when he leaves the general for the particular. Thus, in endeavouring to formulate a definition of cinematic rhythm—which, according to him, no critic has as yet defined—he himself falls into a morass. It is possible that Mr. Hunter may have been clear in his own mind when he formulated his theory of "repetition and expectancy," but he has dealt neither adequately nor with clarity with this extremely important aspect of the art of the cinema.

There should be general agreement with the assertion that "The only two comic personalities in the cinema are Chaplin, the actor, and Clair, the director." ("Comic" is here

obviously intended in the classical sense.) It should, however, have been emphasised that Chaplin is not a comedian merely as an actor, but also as a director and a scenarist; his distinction rests largely on this combination of qualities. Whether Chaplin, as the author contends, is alone "likely to be of any permanent and intrinsic value" of all the products of Hollywood, is another matter, especially if Mr. Hunter's sweeping generalisation is intended to apply not only to the past and present of the American cinema, but also to its future.

Most of this essay is devoted to "The Achievement of the Cinema," a section in which Mr. Hunter exercises his critical faculties over selected films and directors, the latter including Eisenstein, Pudovkin, Chaplin, Clair, Pabst, and Feyder. Such an anthology, as is the case with all anthologies, must obviously be a reflection of the writer's individual tastes and opinions, and should therefore be read as such. But I would make one criticism; any anthology of the kind is incomplete that makes no mention of "Greed," "En Rade," and "Mädchen in Uniform," and devotes only a single and casual line to "The Street." For these pictures must definitely be taken into account in any survey of the achievements of the cinema.

I should add that this book is supplemented by some admirably selected and very well-produced illustrations, and that although I disagree with many of the author's conclusions and opinions, they have the definite merit of provoking controversy. Mr. Hunter may be right or be wrong, but he does appear to know what he wants, what he likes, and what he dislikes. And that is something—in fact, it is very much—in an era when film criticism has almost entirely given place to personal "gossip" of the most vulgar nature, and to the bald re-telling of the plots of pictures. "Morass" is, indeed, a *mot juste*.

### "Close Up."

If the majority of English books on the cinema could be entirely devoted to the art of the film that provides a valuable antidote to the flood of trashy weeklies and monthlies dealing with the amours, the diet, the dress, and the beauty culture methods of screen stars. The same post of "Close Up," formerly a monthly, but now published as a quarterly at 3s. 6d. I have never been altogether enamoured of the precocity that characterises so much of the style of the contributors to "Close Up," but no one interested in the art of the film should be without it, even if only for its illustrations and comments on so many of the best Continental pictures that are either not shown in England because exhibitors will not book them, or the Censorship will not pass them, or which are shown only in an emasculated form after manhandling by the Censorship. To see very much of the best work that is now being done in the cinema necessitates a visit to the Continent; to those who cannot make the journey "Close Up" brings the knowledge of what the European studios are doing.

### For the Love o' Mike: Regal.

Re-hash an undistinguished stage play completely unsuited to the screen; engage stage players who are not of the first rank and are entirely ignorant of the technique of the cinema; add would-be-comic "business" and situations that might have obtained a laugh at Blackpool in the eighteen-nineties; season with inept dialogue; and order the director to serve a salad of farce, musical comedy, and Thiele-Clair fantasy. It is unnecessary to say more of this new English picture, except to place on record again my utter disbelief in the possibility of anything good ever coming out of Elstree.

### Postscript.

"Atlantis," made by Pabst, and with Brigitte Helm, will be shown by the Academy from Christmas Day. This film is being shown in its English version. DAVID OCKHAM.

## 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.

## Pastiche.

### POLLY'S "EFFECTIVE DEMAND."

#### A TAIL OF A PARROT.

At my home here in the North I have a parrot, a West African grey of a lovely dove-grey plumage with brilliant crimson tail. As we say up here, "He talks like a book with the batters off." He came from a creek near Port Harcourt in Southern Nigeria, and is now housed in an outside cage of which he can open the door and come out for a stroll round.

A most amusing cuss, he is, and a great hand at economics. (Oikonomia—House-Law.) The atmosphere of his present home—despite the fact that it's in Scotland—as well as his early upbringing amidst the luxuriant abundance of an African creek, has made him a follower of Douglas. He has no scarcity-complex. No thrifty vices—though now a domiciled Scot. He knows there is no such thing as scarcity anywhere evident; that he is in a world of plenty, so he insists on its distribution to the consumer. Without money and without price his demand is effective, and in that respect he is "one up on the boss."

The very sight of apples, pears, boiled eggs, or the crusts of our bread—especially toasted bread—rouses him to a state of most vociferous demand.

"Polly wants a bit!" "Oh; the wee man!" "Come on, up ye go!" "Want a bit! Want a bit!" "Up ye go!" and distribute to the consumer.

A modern reproduction of the importunate widow—with feathers. In fact, he's worse than that. He's an importunate Douglasite—and that's much worse.

Then: he's unemployed. Not a producer, only a consumer, and he insists on his rights as such. He's a knowing bird. By the way, did you ever notice what tame rabbits unemployed men are? Bunnies of the most docile type, who do not even know they have a right to consume.

It is no use telling Polly to "Shut up" when once she begins to shout for share. It only brings the effective retort, "You shut up, you silly old sausage." (The epithet *sotto voce*, as if an afterthought.)

Now, that sort of thing leaves a fellow with a very undignified sort of feeling. It is so humiliating to be howled down by a parrot-cry. Lord Beaverbrook will sympathise with me since his recent experience at Glasgow. It is a sort of feeling that the very foundations of life have gone all awry; and there's nothing to be done about it.

Polly learned this sort of language before she became a disciple of THE NEW AGE principles. But just think what a job the moralists have on hand after we adopt Social Credit. The moral uplifters had better get on their skates if we are to have all such bad-mannered people to teach how to behave in a regime of Plenty in the Leisure State.

He's a sly dog is that bird, and he wants to do things. Frinstate: he has noticed that the milkman comes along the street blowing a "birl" whistle for a living and that another fellow has to yell "coal briquettes!" so he insists on helping them in their occupations. I am rather annoyed, on helping them in their occupations. It is however, that his enthusiasm lacks the time-sense. It is very embarrassing to me to see my neighbours come to their doors with jugs for milk and receptacles for coal-briquettes when the vendors are not there.

But that just shows you how eager Polly is to take his place in the productive machine on its distributive side, and so establish an orthodox claim to be a consumer.

Just like the average man, he likes to be doing something useful in the world, and it is not his fault if the milkman and the coalman do not just fit into his scheme of things.

In any case, don't you believe those "dire foreboders" (as Burns dubs them) who tell you that when men get a National Dividend nobody will want to work. Why, even the parrot could teach them a lesson.

Bah! of course they'll work. Why, I myself am simply crazy to go out to the front street and blow "birl" whistles and rattle milk cans, and have a perfect orgy of shouting "coal briquettes"—especially after reading Lansbury or Macdonald in an unemployment debate.

Think of the pure joy of chucking the *Glasgow Herald*—it isn't its fault either—in the dustbin and going out there to blow whistles and shout "coal briquettes!" It would be glorious, and much more moral than sitting chewing one's moustache and muttering bad words down inside.

But wait! Did I say Polly was not a producer? I did? Well, I take it back; he gives services. As a preacher he beats "the gloomy Dean." As a teacher he knocks all the

professors of economics at Cambridge silly. At least, sillier than usual. Yes! I take it back, Polly!

You produce services to me. And you, at least, try to do it for the milkman, etc.

Taken at his lowest value, as set by the orthodox economist, Polly serves the community by being a jolly good consumer, and that is a much higher form of service than orthodoxy will admit.

Polly! you are, I think, sexually, a misnomer, but you are a fine example to mere humans, and a shining light of Douglas principles. When you indicate to me your unalterable opinion that I am "a silly old sausage," and invite me to "shut up," I would give a "fiver" to have you in the House of Commons one day when Chamberlain and Baldwin are delivering themselves of some of their wisecracks on economics. A fiver? Pooh! I'd go to the Tower for a month to hear you at it.

P.Mc.D.

## Events of the Week.

(Compiled by M. A. Phillips.)

December 10.

War Debts. Britain to pay U.S.A. in gold, but not to collect debts from Europe. Lausanne to be maintained if possible.

Mine disaster near Wombwell (Yorks). Six killed. £= \$3.21.

Disarmament Conference postponed indefinitely with no results.

December 12.

Debts: Britain offers to pay in gold under protest, and hints that this is the last payment on present contract. U.S.A. insists upon retention of present contract. France acting with Britain.

£ rises to \$3.25.

Mob attacks Anglo-Persian offices at Abadan, Persia.

Anti-British riots in Cairo.

Communist riots all over Spain.

Mr. Bennett, Canadian Premier, lands in England.

Milk Marketing Reorganisation Committee recommends milk production be restricted.

December 13.

Government allow one-day debate on debts, but no division to be taken.

Increase in British exports.

Anti-American riots in Paris over debts.

Elias, chairman of National Unemployed Workers' Movement, gets two years' imprisonment.

£= \$3.27.

South Africa Labour Party support Smuts against Premier Hertzog.

December 14.

U.S.A. will accept gold as payment of present war debt instalment from Britain.

Belgium defaults to U.S.A. Cabinet resigns.

Poland defaults to U.S.A.

Extensive riots in Paris on Herriot's decision to pay U.S.A. conditionally.

Agricultural Wages Board recommends cuts in agricultural wages.

December 15.

Debt instalment due to U.S.A. paid in gold. Debt debate in Commons (mainly mutual recrimination). No vote taken. Hint of rise in bank rate.

France defaults to U.S.A. Herriot and Government resign.

£ rises to \$3.28½.

Anglo-Persian dispute handed to League of Nations.

Britain lends £4,000,000 to Austria.

Supplementary estimates for unemployment relief £18,000,000.

Chautemps, Radical-Socialist, forms new French Cabinet.

British Government's Housing Bill passes second reading.

December 16.

In spite of Baldwin's promise of publication of minutes of debt funding Cabinet meeting of 1921, MacDonald refuses to publish these.

R. Collet Norman (brother of Montagu Collet Norman) becomes vice-chairman of B.B.C.

Lord Leverhulme, president of London Chamber of Commerce, protests against deflation following payment of war debt to U.S.A.

Loss of gold from Bank of England lowers reserve by £20,000,000. Balanced by issue of Treasury bills (equivalent to increase in Fiduciary issue).

## Theatre Notes.

### The Merchant of Venice: Old Vic.

On the subject of Shakespeare the English hold essentially conservative views. They do not like to see tradition violated, and not least in the plays of their national dramatist. And yet, contemporary needs demand the constant violation of tradition, and the changing methods of interpreting Shakespeare's scenes and characters may be said to reflect with a fair degree of accuracy the public outlook upon the theatre in general. Had Mr. John Gielgud never seen a revue he could never have designed such a fantastic setting as he has done in his production of "The Merchant of Venice" at the Old Vic. (That is not to say, however, that the setting has not everything to recommend it from the aesthetic standpoint, though it should horrify the critics!) In the same way the appearance of Hamlet in modern dress and Mr. Paul Robeson in the character of Othello, both of which occurred not long ago, administered as rude a shock to the native intelligence as did the refusal of Edmund Kean in the early years of the last century to represent Shylock, in Hazlitt's words, as "a decrepit old man, bent with age and ugly with mental deformity, grinning with deadly malice, with the venom of his heart, gealed in the expression of his countenance, sullen, morose, gloomy, inflexible, brooding over one idea, that of his revenge," and fixed on one unalterable purpose, that of his revenge. In point of fact Shylock is neither old nor decrepit, and he probably expresses more ideas than all the rest of the characters in this play put together; his mental vigour is amazing, and it is not till his daughter's elopement with her lover and his own jewels that he becomes embittered and revengeful. True, he is not lovable, but neither are any of the other characters particularly so, with the successful exception of the jester Gratiano. Antonio is a successful merchant, but when he puts his hand to such a contract as he signed with Shylock it is difficult to account for his success; neither is it to his credit that, having once spotted upon Shylock's Jewish gaberdine and spurned him, he should announce his intention of repeating this behaviour when opportunity offers, while his expectation of meriting a large loan in these circumstances and ultimately being the recipient of his contract scarcely commends him to us in the part of a respectable Catholic merchant. Bassanio does not scruple to take his friend's money with little apparent thought of the terms on which it has been borrowed, and then he has the temerity to present himself at Belmont as a man of property. Lorenzo incites Jessica to rob her father and run away with him her lover, Portia plainly displays upon the face of all her suitors save one and goes near to cheating in the matter of the caskets, and the Duke's judgment upon Shylock is little more than a travesty of justice after he has listened to arguments which any sober-minded judge would have laughed out of court. In spite of these characteristic failings I must admit that after having seen the Old Vic production my sympathies are more strongly than ever against Shylock and with his enemies. If the reason is natural I would like to find it in Portia's words.

O, these naughty times  
Put bars between the owners and their rights!

And so, though yours, not yours.

If pride is a tradition that tradition must be violated whenever possible in matters theatrical, Mr. John Gielgud has conscientiously observed it as a producer. "According to the stage directions the scene of the play is 'partly at Venice and partly at Belmont, the seat of Portia, on the Continent.'" One would normally expect from this that the characters' costumes would be modelled on such as are known to have been worn in medieval Italy, and one would not be surprised at a frequent change of scenery. In fact this production the setting remains the same throughout and the costumes are inspired by many periods. In fact Portia would have passed for one of Leach's pretty girls in a Victorian drawing room. Gratiano would have made an excellent swashbuckling Cavalier, and Bassanio in his boyish beauty might well have adorned the Court of Gloriana. Now whatever the fashionable critics may think of this novel treatment of "The Merchant" at the Old Vic is in my opinion a great improvement upon former methods. Mr. Gielgud admits that he has designed one another interesting in order that the scenes may follow one another immediately as when one is reading the play; while the changes of locality are so definite that no possible confusion could arise in the mind of anyone worthy of being admitted to a Shakespearean performance. The curtain is only lowered at occasional intervals, and the rapid scenic sequence which at least keeps the uninitiated from losing the thread of the story is a feature in the piece upon which Mr. Gielgud

deserves to be congratulated. The costumes, though not belonging to any known period nor designed after any known historical fashion, have evidently been made to suit the characters which they clothe and the setting generally. The scenic effects of colour and lighting are bright and original, touching frequently the realm of fantasy as in the Venetian carnival and the scenes at Belmont. It has been doubted by high authorities whether Shakespeare really intended to introduce any fantastic ideas into this play, but after all, where there is romance it is difficult to exclude fantasy. A producer can only blend successfully romantic and realistic characters in a frankly decorative background, and in this case I hope the majority of the audience is convinced as I am that Mr. Gielgud has done it.

Mr. Malcolm Keen's Shylock was that of a really accomplished actor. Mr. Keen played the part of the shrewd Jewish villain just as it should be played and with a grim realism which to my mind brought out very clearly the principal motive which inspired his hatred of Antonio—not that Antonio was a Christian, but because he lent out money free of interest and so injured the banker's business! In the difficult part of Portia, Miss Peggy Ashcroft concealed the pedantry befitting a doctor of civil law beneath a mask of manifest charm. With her quiet and unaffected manners she raised the rather mediocre scenes at Belmont to a far higher level than I thought possible when I first read them. In the trial scene when she takes in both her husband and the judge her acting was straightforward and unforced, and I was glad to notice that she did not follow the old fashioned style of declamation in her speeches. Had he spoken his lines as clearly as Portia, Mr. Charles Hickman would have made an excellent Bassanio in spite of his excessively boyish appearance; at it was, however, he made a most graceful suitor and his wooing had a pleasant sense of delicacy about it. Mr. Roger Livesey thoroughly caught the spirit of the breezy roistering Gratiano; he has a sense of humour which I am glad he did not forget to bring out on the stage. As Antonio Mr. Cecil Winterbottom gave an impression of manliness and courage of which I should have welcomed more signs in some of the other parts, particularly among the Eton-jacketed pages who were a trifle too mincing even to please the discriminating. Of the minor characters, Lorenzo (Mr. William Fox), Nerissa (Miss Patricia MacNab) and Jessica (Miss Valerie Tudor) looked their parts and said what they had to say very well, and the clowning of Launcelot Gobbo (Mr. Geoffrey Wincott) and old Gobbo (Mr. Morland Graham), his father, raised more than one hearty laugh from the audience. There was perhaps a tendency in the Prince of Morocco (Mr. Anthony Quayle) and the Prince of Aragon (Mr. Harcourt Williams) to burlesque the casket scenes, but I do not consider that the piece suffered unduly by this liberty. The fact that none of the players wore beards of any size and few of them wore beards at all greatly contributed to clearness of diction.

Fantastic in effect, perhaps; pretty rather than profound, yes! Nevertheless I most strongly recommend this production as delightful entertainment. It is being given this week at the Sadler's Wells Theatre. For myself I would like to thank the manager, Miss Baylis, for a very enjoyable evening and for giving me one more opportunity of learning and loving my Shakespeare better.

RICHARD CARROLL.

## Books Recommended.

The following particulars of books, all but one of which have been previously noticed in this journal, may be of interest to readers who want to give away, or stand themselves, a Christmas present.

*First Lessons in Logic.* By Dorothy J. Waite, B.A., and Ernest F. Row, B.Sc. (George G. Harrap and Co., Ltd., 39-41, Parker Street, Kingsway, W.C.2. Price 2s.)

*Mind and Brain.* By Amy B. Barnard. (Obtainable from the authoress at 14, Manville Road, Upper Tooting, S.W.17. 7s. 6d.)

*We Fight for Oil.* By Ludwell Denny. (Allen and Unwin, 7s. 6d. net.)

*The New Despotism.* By the Rt. Hon. Lord Hewart of Bury. (Ernest Benn, Ltd. It is reported that a new edition is out priced at 5s.)

## TO NEW YORK READERS.

Will any reader of THE NEW AGE living in New York City, U.S.A., or its suburbs, who is interested in Social Credit please communicate with Harry Hardy, Kenmore Hall, 145, East 23rd Street, New York City, N.Y.?

## A Critic of Einstein's Theorem!

Dr. Lynch has made out an almost savage case against relativity\* without in my opinion really endangering its fairly general acceptance, which rests principally on grounds which are not discussed, viz.: the incompatibility between observations and the requirements of any other theory.

It will surprise most readers to find that Relativity has received little general acceptance among mathematicians abroad since we are in this country led to believe that its soundness is well established, and as Dr. Lynch points out in the introduction there is something peculiar about the way such an abstruse (and, as he maintains, still undemonstrably correct) theory received such a "good press" here.

So well did the journalists work the thing up that music hall artists, newsboys and gossip writers soon felt compelled to bring relativity into the most commonplace daily questions.

Why is this? Partly no doubt the paradoxical implications of the theory were well suited to the palate of people living in a man-made paradox where hitherto nature alone had always been assumed to be logical.

Partly too the Einstein theory serves as a most marvelously stinking red herring which can be deftly drawn across any argument which in face of superior reasoning one looks like losing, thus justifying obvious contradictions by suggesting "that is how nature works," and applying to ordinary questions by analogy the postulated failure of commonsense reasoning when pushing our investigations to the boundaries of space.

Most of us, having neither the mathematical equipment nor the necessary access to data must trust to the scientific integrity of such people as Jeans and Eddington when dealing with matters of space-time and gravitation where commonsense fails and mathematics must be invoked, but on economic questions where mathematics tends to obscure the very concrete facts the position is very different.

Any attempt to bring Relativity into such issues (and there were two such in a recent copy of "The Observer") may be regarded as a deliberate scheme to counter too successful logical criticism by means of the fashionable "Cult of Unreason," of which Dr. Lynch has a good deal to say.

B. W.

## LETTERS TO THE EDITOR.

### "THE NEW AND THE OLD ECONOMICS." A CORRECTION.

Sir,—On page 27 of the pamphlet edition of "The New and the Old Economics," a lapse in proof reading, for which I alone am responsible, has caused the statement

"true consumption costs are  $A + \frac{B}{X}$ " to appear as "true consumption costs are  $(A + B) - \frac{B}{X}$ ."

This error did not appear in *The New English Weekly* nor *THE NEW AGE* of November 26, 1931, in which I used the argument in the first place. The nature of the misprint is obvious from the context; but no doubt purchasers of the pamphlet will wish to make the necessary correction.

C. H. DOUGLAS.  
8, Fig Tree Court,  
Temple, E.C.4.,  
London.

### MAJOR DOUGLAS AND SOCIAL CREDIT CORRESPONDENCE.

Sir,—As a certain amount of confusion appears to exist at the present time on the matter, perhaps I might be allowed to make it clear through your columns that I am not officially connected in any way with any central organisation for the furtherance of the reform of the credit system, and that, therefore, letters intended for me should be addressed to me personally at this address.

C. H. DOUGLAS.  
8, Fig Tree Court,  
Temple, E.C.4.,  
London.

\* "The Case Against Einstein." Dr. Arthur Lynch. (Philip Allen. 10s. 6d.)

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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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