

THE NEW AGE

INCORPORATING "CREDIT POWER."

A WEEKLY REVIEW OF POLITICS, LITERATURE AND ART

No. 1987] NEW SERIES Vol. XLVII. No. 24. THURSDAY, OCTOBER 9, 1930. [Registered at the G.P.O. as a Newspaper.] SEVENPENCE

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NOTES OF THE WEEK.

Lord Rothermere, whose message from Munich acclaiming Adolph Hitler appeared in the *Daily Mail* of September 24, contributes another long article in the issue of October 2. The chief facts and points he covers are as follows:

1. Hitler reflects the temper of the "New Force of Youth" in Germany—a country which is not going to be kept down by stupid peace treaties, etc. The League of Nations is a "humbug."
2. Hitler's followers have scored a further victory over the Socialists and Communists in Brunswick. Their policy is to "save the financial independence" of that State; the method of doing which is to be (a) a 10 per cent. reduction in the salaries of higher officials (b) the abolition of Ministerial pensions (c) the dismissal without compensation of officials owing their appointment to membership of the Socialist Party. If, says Lord Rothermere, these are the first-fruits of Hitlerism "the sooner its seeds take root over here the better for Britain."
3. He charges "purlind politicians and newspaper writers" with having been responsible for making this political development "a pretext of panic selling" on the Stock Exchanges of the world and causing an "unnecessary scare."
4. He recommends Hitler to take Mussolini for his model. "My strong support," he declares, "of the Fascist régime in Italy is based primarily on the vital fact that it has restored order to Italian finances." . . . "credit in Italy . . . higher than ever before." (Our italics.)
5. He advises Hitler to follow Mussolini's policy of eliminating anti-Semitism from his programme. "Jew-baiting is a stupid survival of mediaeval prejudice." At the same time he tells wealthy Jewish individuals and organisations that the "tactlessness" of their attempts to influence political policy (e.g., National Home in Palestine) has caused "resentment" among those "on the inside of public affairs," and reminds them that the leadership of the "Bolshevist campaign against civilisation and religion" has been "al-

most entirely in the hands of men of their blood," and that this fact has done "incalculable harm to the reputation of the Hebrew race in every country of its adoption."

6. The "new force"—Fascism in Italy, Hitlerism in Germany—has as yet no name in Britain, but "it is working just as strongly here as anywhere against the pigheadedness of the old political gang, and it would be fatal folly to try to hold it back."

The second and fourth items in this summary confirm what we suggested last week about Lord Rothermere's boisterous acclamations of Hitler, namely that Finance is perfectly neutral to principles of government. We can now go further and say that if the Hitler principles can be administered by Rothermere methods more quickly and certainly than by democratic methods, probably the City is already definitely supporting the *Daily Mail* and may even have inspired its attack on the popular representative system of government. No reader can fail to be struck by the almost complete identity between what Hitler is proposing to do in Brunswick and what Niemeyer has been coercing the Scullin Administration to do in Australia. And if that Administration yields to the coercion, its Labour supporters might just as well be baptised "Niemies" straight away.

With regard to the sixth item of this summary there is no doubt about the working of this "new force" both in this country and in all the others where it has as yet no name. In Britain—the traditional stronghold of democracy—the supersession of the public-election principle by the secret-nomination principle has been "working" on all planes of business and politics wherever financial interests are involved. In West Ham and elsewhere we have seen Boards of Guardians displaced by paid agents of the Ministry of Health. And now, the Guardians are dispensed with altogether, and the specific and clear issues on which voting for the Boards was based are lost among the multiplicity of other issues which Town and County Councils have to deal with. In the business world the old private director, who

used to offer himself for re-election, is giving way to the trained manager nominated by the banks or by agencies subscribing to the banks' policy. Private proprietorships have been merged in Public Corporations, all of which are directed by politico-industrial nominees of the bankers. And lately we have seen the inauguration of the National Industrial Council for Britain which is undoubtedly intended to prepare the way for a business dictatorship functioning independently of Parliamentary control, and deriving and administering its policy from the advice and with support of the banks and other financial institutions. This central national council will in due course be affiliated to Mr. Barnard Baruch's "international business tribunal" just as national central banks are to be affiliated to the Bank of International Settlements. Again, as we write, Mr. Herbert Morrison announces a new Traffic Corporation which is to take over all the train, tram, and bus systems in and round the metropolis. Meanwhile, when the Macmillan Committee was appointed to investigate the credit question, the credit monopolists nominated not only a majority of the members of that Committee, but also another Committee for which there had been no public demand at all, namely, the Advisory Economic Council, one of the duties of which was afterwards stated by a newspaper to be to examine the findings of the Macmillan Committee and advise the Government thereon. If this is not the quintessence of Hitlerism, as Lord Rothermere conceives it, what is it? Logically, to-day, membership of the House of Commons should be achieved by the same process as entry into the Civil Service—namely, by competitive examination. The candidates should sit at the Mansion House rather than Burlington House, and write their answers to Mr. Norman's examination papers under the supervision of the Lord Mayor of London. We cannot think of any argument which our so-called democratic Press could consistently bring against this idea, judging by the tenor and purport of its general propaganda. And as for Lord Rothermere, he ought to be only too pleased to start a campaign for it immediately.

We have received the following letter from a reader:

"Here is an interesting leader from the *Evening News* of September 26. The marked paragraph blows the gaff, up to which point it looks almost like *New Age* Notes. Looks as though the process of subverting Social Credit ideas to financial centralisation was about to begin."

The comment is just. The passage reads:

"In short 'world-wide economic depression,' if it means anything at all, means a failure of the world-wide economic machine to function efficiently, a failure that is bound to last as long as that machinery is not a coherent whole but a series of national machines each constructed for its own nation's advantage, and all being made to fit in with one another as best they can. For this state of affairs there is clearly no remedy as long as nations will be nations." (Our italics.)

The fact on which this conclusion is based is that the machine displaces men and causes over-production.

"For a century the civilised world has been perfecting machines that would do the work of ten men and other machines that would do the work of ten of the old machines . . ."

"It never occurred to anybody that there could be such a thing as too much human industry, and probably there cannot be; but certainly there can be . . . too much human industry concentrated on the production of certain commodities the world's power to absorb which is limited."

"What it [over-production] is doing is to produce more grain in this place or that than can be disposed of through the existing economic machinery, a machinery that permits wheat to lie unwanted in one part of the world while people go hungry in another."

We would like to know what a change from national selfishness to international unselfishness will do to solve the problems enumerated. This writer, before demanding that economic machinery be made a "coherent whole," would do well to apply the treatment to his own article. At present he draws an indefinite moral from ambiguous phrases. He mistakes words for acts, instead of using words to define and procure acts. Supposing he does away with frontiers and tariffs; will that stop machines from displacing men, or render local surpluses mobile? And what is his reason for talking about wheat lying unwanted in *one country* while people go hungry in *another*, when the two phenomena are to be seen side by side in Australia and America at this very moment? Merge all the countries of the world in one territorial and fiscal unit, and all you get is Australia on a cosmic scale. "Nations," he says, "that are economically self-contained . . . tend more and more to have the advantage of their neighbours." Therefore, we suppose, Australia must be considered as having the advantage of Britain!

Since machines displace men all over the world they decrease the world's power to absorb commodities; for commodities can only be absorbed by people with incomes, and displaced people lose their incomes, while other people do not get them—else what is the saving of the machine? Well, machinery cannot absorb the renounced commodities; so we get "over-production"—not simply here and there, but universally. In this sense there is no such thing as under-production; that is to say there is no point to which you can reduce output where the community is able to buy it all. This is because the money-proceeds of wage-saving machine-production are intercepted and cancelled by the bankers before having been used as purchasing power by any individual at all.

Mr. J. F. Darling, according to the *Financial Editor of the Daily Mail* of October 2, is going to bring his Empire-credit proposals to the attention of the Imperial Conference. These are described as fair length by the Editor, and in a strictly impartial manner, his only comment being that they are likely to excite some controversy. As our readers must be generally well-informed of the views of Mr. Darling, contained in his booklet *Economic Unity of the Empire*, we need not do more than outline the present form of his proposals. Briefly they include:

- An Empire Bank which shall have the option of buying the total output of gold in the Empire, which is about 70 per cent. of the world output.
- This Bank shall act as banker to the several central banks functioning within the Empire.
- It shall create and issue for the use of those central banks an Empire super-currency the unit of which will bear the royalist denomination, *Rex*—the value of this unit to be equal to 113 grains of gold of the fineness used for coinage; i.e. one *Rex* will be equivalent to one sovereign.
- The Empire Bank's cover for the *Rex*-currency shall be, not only gold, but—if further cover is required, silver—which the Bank shall purchase at a price bearing the ratio of 1:20 to that of gold: i.e., 20 ozs. of silver may serve in place of 1 oz. of gold as cover for one *Rex*.
- The central banks and their equivalent institutions within the Empire shall continue to issue currency and credit in the customary denominations, e.g. pounds in South Africa and Australia, dollars in Canada, rupees in India, and so on. The *Rex* would be exclusively bank-cash. It would link up these regional currencies but would not be admixed with them anywhere.

For other particulars of the scheme readers should

consult the above newspaper in default of adequate information being forthcoming in others.*

The interesting feature of Mr. Darling's proposals, from our point of view, will be seen to be political, not technical. They are an attempt to remove restrictions on the quantity of credit issued, but they make no special provision for its subsequent distribution as consumer-purchasing-power. It will pass out and come back through industrial and agricultural enterprises on the same costing and pricing principles as before, with the same result as before—a continual and even increased destruction of purchasing power, which must ultimately negative the initial stimulus of the proposed reform. Having made this clear, we can unreservedly congratulate Mr. Darling on having raised an issue of tremendous political significance. It would take a good many pages of this journal to explore all its implications and the possible consequences of its adoption. The revival of bi-metallism is an explosive issue in itself; and taken in conjunction with Mr. Darling's original advocacy of the policy of dumping gold into America whether she wanted it or not (see the booklet already referred to) it can be seen to be potentially an awkward obstacle to Mr. Owen D. Young's policy of receiving foreign obligations instead of gold.

We acknowledge receipt from Australia House of a copy of its quarterly issue of statistics relating to production, overseas trade, population, etc., in Australia. We hope to print an article on this publication at an early date. It goes a long way towards filling up the gaps in our information regarding the physical resources and productive abilities in that country which limited the scope of our recent commentary on them. A most casual glance through the statistical tables is sufficient to show that we did not over-rate Australia's position when we suggested recently that she could maintain her people at a fairly comfortable standard of living even if she were completely cut off from contact with the rest of the world. In fact, her ability to do so would be strengthened rather than weakened by her isolation, because whatever restrictions she might initially suffer by the severance of economic contacts with the outside world, these would be more than compensated by the severance of financial contacts. For however beneficial are imports from abroad in adding to the categories of articles entering into personal consumption, the debt incurred in the process subtracts from the aggregate quantity of articles that may be consumed. Under the existing system of international credit-ants of the borrowing country who previously could finance borrowed imports are poison. The inhabitants of the borrowing country who previously could buy, say, 100 articles of consumption consisting of, say, ten assortments, now find that they can buy, say, fifty articles consisting of twenty assortments. They have bartered a solid one-course meal for a hollow seven-course knife-and-fork drill. As a friend of ours said on one occasion: "Let's go in here and have the dinner: we'll get something to eat later on."

Elsewhere we print an article, "The Hold-Up," calling attention to the coercive action of the banks in threatening to cut off supplies of credit to the Australian Government. It is not a new threat. A London financial newspaper used it against Mr. Lloyd George years ago, warning him that the City had the power to destroy any Government which interfered with credit-policy. The only new feature about the present threat in Australia is that it explicitly defines the method by which the Govern-

* Since writing the foregoing we have received a book embodying the scheme: *The "Rex"—A New Money to Unify the Empire*, by J. F. Darling, C.B.E. P. S. King and Son. 48 pp., paper covers. Price 2s. net.

ment would be destroyed. In the article referred to, the moral is drawn that democratic political methods are powerless to break this financial blockade, and that the only weapon that can do it is "direct action" in some form. A few years ago the drawing of such a moral would have been considered subversive, for the reason that the phrase was associated exclusively with actions taken by wage-earners against their employers. It was a natural view for the public to take because the act of going on strike implied the repudiation of Parliament's right to bring about a settlement of the dispute by negotiation. The subversion consisted in the men's saying: "Here is a problem which we must settle by a trial of our own strength, whatever 'public opinion' may have to say about it." But to-day the banking powers are self-confessedly guilty of the same subversion. Not only that, but Lord Rothermere has acclaimed Fascism and is acclaiming Hitlerism; and is flouting democracy as an effete principle of Government. In doing this he is flouting public opinion, and its expression through the ballot. It makes no difference whether his ideal substitute for the "politician" be the soldier, the banker, or the business man, the whole point is that none of these substitutes offers himself for election—in fact, it is essential to the scheme that he shall not, because if he does he *ipso facto* becomes a politician. Lord Rothermere has simplified the issue by stating very clearly why he advocates a non-elective dictatorship. His objective is a financial one—therefore his ultimate dictator will be the banker, whoever may appear on the scene as the visible administrative dictator. Whatever the Liberal elements of the Press may have to say against the principle of a dictatorship is of no practical importance. The banking dictatorship exists already, and the only question left for discussion is whether an autocratic or democratic form of government is the more efficient instrument for carrying out the bankers' policy. For obvious reasons such a discussion will not be discussed in public along these lines. The kind of thing we shall hear will be along the lines adopted by J. A. Spender, who has made the futile rejoinder to Lord Rothermere that it is all very well for him to cry out for a dictator, but is he sure that the dictator which may emerge will be the kind he wants? Lord Rothermere might reply, if he chose, that whatever dictator were to emerge, his power to dictate would last just so long as the bankers supplied him with credits, and would end at the instant when they cut off the supplies; in other words, that the autocrat would hold his power on a day-to-day lease just as does the representative Cabinet of to-day. In the world of journalism Lord Rothermere holds his power as a Dictator to public opinion on exactly the same terms. There is nothing to stop the banks financing a new newspaper of better quality and size than the *Daily Mail*, and selling it at a half-penny or a farthing. If they chose they could compel all Fleet Street—and all the newspapers in England for that matter—to come into a National Newspaper Corporation whose control would be vested in the Bank of England. They do not have to do so because the existence of this power is fully appreciated in Fleet Street and sufficient precautions are taken to avoid invoking its exercise.

In this connexion we may as well refer to the Labour Party's official Report on Major Douglas's Proposals. A Committee was appointed by the National Labour Party Executive for this one purpose. It was not set up to enquire into the credit-question in general. Its term of reference was set out in the Report.

"We were appointed to consider and report upon the Scheme for the Control of Credit and the Fixing of

Prices propounded in a series of articles in THE NEW AGE and in treatises by Major Douglas."

The Committee held its first sitting on May 24, 1921. Some sixteen months later it issued its Report, in which Major Douglas's Proposals were exhaustively analysed and discussed. Immediately upon its issue there was a leading article in the *Financial News*, of something over a column in length, devoted to comments on the Report. Throughout that article there was no mention of the Proposals, no indication of their nature, no mention of Major Douglas's name, nor of that of THE NEW AGE. We doubt if such omissions of essential items of information have ever occurred in the reviewing of any other Report of a national body on a matter of general public interest.

As to a possible explanation of this curious phenomenon in journalism let us quote from a circular issued privately by the American Bankers' Association in 1877 to its member bankers:

"It is advisable to do all in your power to sustain such newspapers, especially in the agricultural and religious Press, as will oppose the issue of green-back paper money, and that you also withhold patronage or favours from all applicants who are not willing to oppose the Government issue of money. Let the Government issue the coin, and the banks issue the paper money of the country, for then we can better protect each other.

"To repeal the law enacting national bank notes, or to restore to circulation the Government issue of money, will be to provide the people with money and therefore seriously affect your individual profits as bankers and lenders." (Our italics.)

"Ah, but that was in America," someone may say. Quite so, but, as Mr. Evelyn Wrench said on the wireless last Thursday, the two great English-speaking countries have been learning from each other. And the bankers here have had fifty-three years to learn this particular method of making their own interests Press interests as well.

Lord Birkenhead.

"The world will continue to offer glittering prizes to those who have stout hearts and sharp swords."

The best tributes to Lord Birkenhead, among the multitude that have been published, are that he respected facts, and that he could appreciate a point of view which he did not share. Some evidences of this have appeared from time to time in his public speeches—for example, the passage quoted at the head of this article. And it is on that account only—the public expression of unorthodox sentiments—that he gained his reputation for "courage." In private every statesman recognises facts and appreciates points of view which he does not share—because he has to. There is no courage involved in speaking frankly where you cannot be overheard. Nor, moreover, is there any courage required to express unorthodox views publicly, as in the case of Lord Birkenhead, when the instances in which one does so are so few and far between that they can have no cumulative effect on public opinion—even if singly they have any effect at all. Character must be judged by reference to all the circumstances. Of a reputedly bad man, to know all is to pardon all: but of how many reputedly good men could it not be said that to know all was to condemn all? And when everything is said and done, the intermittent public impudences of Lord Birkenhead served merely to heighten the unbroken dignity of his slower-witted colleagues on both sides of the House. He played the game of Parliamentary golf, and if

he did choose to hole his putts with a driver, that is of no concern to the millions of people who are outside the game. Really, the Politicians ought to run a private journal of their own to hold post-obituary adulations of their departed, and not exhibit them in public newspapers to a population whose opinions on vital issues they habitually ignore.

Lady Oxford throws a side-light on the process by which the ordinary member of Parliament rises to fame. She recounts how she heard him make his maiden speech in the Commons from the Unionist back-benches after the return of Sir Henry Campbell-Bannerman's Government in December, 1905, and says that as an immediate result of this speech, Mr. F. E. Smith—as he was then—received numerous invitations from distinguished people to dine with them and to stay at their houses. This is a reminder of the fact that to catch the Speaker's eye is not the only pre-requisite for a brilliant speaker's advancement: he must contrive to catch the ear of a Patron. Patronage governs political careers at the present time just as truly as ever it did—the only difference being that it is now collective rather than individual, and financial rather than social. Patronage has been organised and rationalised into corporations—the Banker being Grand Master of them all. Lady Oxford remarks that mere cleverness will only take the young politician so far; and that what tells in the long run is "character." Quite true. It is not his cleverness, but his sagacity in moulding it to established political forms and traditions, that wins him the approval of Elder Statesmen, and eventually that of the Elders of the Mansion House. Thus it comes about that one of Lord Birkenhead's most recent exhibitions of "courage"—according to some Press scribe—was when he expressed the view that all classes in this country would have to make sacrifices to emerge from their present position. That has been a perfectly safe thing for any politician to say since 1921. The voluntary assumption, as this is, of the rôle of Announcer for the Bankers' Broadcasting Consortium is a sure guarantee of protection and patronage, whether undertaken by a politician or a journalist.

There is one pleasant feature of Lord Birkenhead's career, which is that when a young lawyer he conceived the ambition to become Lord Chancellor. He had his eye on one specific position in Government; and made himself technically fit to occupy it. It is a position which allows its holder a large measure of absolutely personal responsibility—in contrast to most other offices of State, which can be filled indiscriminately by persons of all qualifications or none, because the necessary technical knowledge resides among the Department officials, who prescribe the limits of the Minister's discretion.

Lord Birkenhead's maiden speech led to his being snowed under with briefs; and his practice increased enormously. He became a leading barrister, but a barrister with a conscious determination to be a judge; and this is doubtless the reason why, throughout a period when he was constantly taking sides in suits, he retained and fostered all points of view and respecting all kinds of facts. As a result his judgments as Lord Chancellor deserve to rank as technical achievements, with the best that are on record; and it is on these that his reputation will rest in the long run. Lady Oxford says that he was his own enemy, or he might have advanced farther than he did. It is not very clear what she means, but we should say that when a lawyer realises his ambition to become Lord Chancellor, any further "advance" could only be a descent.

The City has no cause to regard Lord Birkenhead as *persona grata*, for one of his judgments cost the Exchequer £8,000,000. When Civil Service crafts-

men joined up in the Army, where they exercised their craft, the Government promised them full civil pay. During the war, the craftsmen at home received bonuses to meet the inflated cost of living. When the war was over the demobilised craftsmen were refused the benefit of these bonuses, the Government claiming that "full pay" only meant the original standard pay. The men affected clubbed together and brought an action, which they won. The Government appealed, and got the decision reversed. The men appealed, and the case came up to the House of Lords where Lord Birkenhead decided that "full pay" meant full pay—not only the official wage but all other emoluments of any kind. Even then the Government could not let it alone. They tried to limit the application of the judgment to married men only; but Justice Darling (we think) interpreted Lord Birkenhead's judgment differently, and took only a few minutes to pronounce in favour of the single men. Those who remember our review of Lord Hewart's book will see in this episode an example of how the "Rule of Law" can frustrate the objectives of "Administrative Lawlessness." By a stroke of luck the Treasury Bureaucrats had omitted to take powers to impose their own interpretation of "full pay" on the men—an omission which they have since taken care not to repeat. So if Lord Birkenhead was an enemy to himself he was a jolly good friend to his humbler fellow-servants of the State.

If he had died a few years ago, and the Press had wanted an occasion to attack him with some show of justification on grounds of public policy, it could have made out a fine case by recalling his participation in 1913 with Sir Edward Carson in the Orange Revolt in Ireland against Asquith's Home Rule Act. But not a word is said about this except an allusion to his nickname of "Galloper Smith." The reason is pretty clear. A few years ago the threat and preparation to resist an Act of Parliament would have been called treason. To-day Lord Rothermere virtually interprets it as patriotism. The flouting of the politician and of democracy is coming into fashion, and all that can be said of Lord Birkenhead in respect of his Irish adventure is that he helped to set it. In doing so he may yet be seen to have unwittingly played a part in a movement which will eventually destroy the existing financial domination of British politics.

The "Hold-Up."

A little lesson in practical politics, as opposed to the parliamentary politics of democracy, appears in *The Observer* for September 28, under the title "Critical Phase in Australia":—

(From a Special Correspondent.)

MELBOURNE, Saturday. With wheat and wool prices ebbing, and credit at still lower points, Australia's financial and political troubles are in an acute phase. It is now quite evident that confidence cannot be restored until the Governments cut costs and balance their ledgers. The banks are heavily pressed. The Commonwealth Bank has been compelled to give a serious warning to Mr. Scullin, and there is no doubt that if the Government does not convince them that they intend to cut costs, the bank will put the interests of its depositors first and cut off Government supplies.

Those who still hope that Social Credit could be—rather, will be—introduced via the normal parliamentary system, should have the following text printed and pinned up over their beds: "The Banks will cut off Government supplies."

Supplies of what? Supplies of Credit, of course. The Australian struggle is not, at present, a Social

Credit struggle. Mr. Scullin has been warned by the Bankers that the Government must cut costs. The warning is followed by the logical threat. If the Government does not undertake to cut costs, "the bank will put the interests of its depositors"—its own interests—"first and cut off Government supplies." So, who governs the Government, and what price Government now? Will Mr. Scullin come to heel? He will, and has probably already done so. Why? Because the only way of dealing effectively with this threatened "hold-up" on the part of the Bankers would be a swift counter-threat to "out-law" the Bankers unless they immediately convinced the Government that they intended to release Credit. Such a counter-threat would have to be followed by action, and any such action would be direct action, without consultation with the people's elected representatives.* No democratic body could carry out such measures without violating the sacred canon of democracy, and transforming itself within the twinkling of an eye from an elected representative committee, responsible to Public Opinion (i.e. Bankers' Press Opinion), into a thorough-going dictatorship able to act on the spur of the moment, and to enforce its decrees. No such transformation is possible.

Let us bear in mind the political logic of the situation. Any attempt to introduce Social Credit via the parliamentary mechanism of democracy (as we know it) would be met in exactly the same way as that by which the Bankers are now dealing with an Australia that tries to wriggle out of the entanglement of financial (fictitious) debt. *The Bankers would cut off Government supplies of Credit.* The Government would be faced by a "hold-up," and the only possible means of dealing with such a "hold-up" would be just those means that are ruled out by democratic, parliamentary, representative procedure.

Harking back to the paragraph quoted from *The Observer*, we note the phrase: "The banks are heavily pressed. The Commonwealth Bank has been compelled to give a serious warning. . . ."

Who is "pressing" the banks? Who has "compelled" the Commonwealth Bank to give a serious warning? Obviously, the Bankers.

The Bankers are hard pressed by their own unworkable Banking Policy. It is this Policy, and the Bankers who hold to it, that compelled the Commonwealth Bank to give a serious warning.

"It is now quite evident," we read, "that confidence cannot be restored until the Governments cut costs and balance their ledgers."

But suppose the Governments cut the cost of financial loan-debts? Suppose they balance their ledgers by crossing off Banking Costs? Suppose the Governments put the interests of the Australian people as a whole first and cut off Bankers' supplies? It could be done (although not by the usual democratic procedure), and eventually it will have to be done.

So here we have before our eyes an actual example of the Banking Dictatorship openly at work in the clear white light of day. We have before us the example of the Australian People's Governments told point blank that unless they "cut costs and balance their ledgers" in the approved manner, "the bank will cut off Government supplies."

A section of the community, the Bankers, intend to put their own interests first and to cut off Government supplies.

Do you suppose that the Australian Governments will be able to bring these private citizens—the Bankers—to heel?

Not yet, anyhow. But wait . . .

S. R.

* We refer to this point, and to the subject in general, in the Notes.

The Lessons of the "America's" Cup.

By C. H. Douglas.

All sports and most games, particularly those in favour with the Anglo-Saxon race, are a dramatisation of some aspect of life, and for the most part, the aspect of conflict which attains its supreme embodiment in war. Fox-hunting has been described as possessing all the qualities of war and only twenty-five per cent. of the risk, and the stress which is laid upon sport of various kinds in the fighting services as a preparation for the sterner business for which they exist hardly requires emphasis.

The recent contest for what is known as the "America's" Cup has many points of technical interest, but for the readers of this review it offers in a striking form a tabloid representation of the situation in which this country has allowed itself to be placed, and some of the consequences of that position.

It has not escaped the attention of the expert commentators on the race itself that it was a contest of purses, or, as the *Daily Telegraph's* correspondent put it, "It was the race of a £30,000 yacht against a £150,000 yacht." As a matter of fact, neither of these figures is approximately correct, but the general statement is true enough.

The first aspect of this situation which I think is of interest and importance is one which is not obvious to anyone who is not familiar with the actual conditions under which "Shamrock" was built, conditions which, other things being equal, are common to a great deal of British effort at the present time. Because so disproportionate an expenditure of initiative, organising ability, and business experience is necessary to obtain the money for fresh plant, scientific investigation, and all the other applications of modern technical achievement, British industry of all descriptions has an increasing tendency to become static. In plain English people are no longer prepared to take the trouble to excel, and the mind of the British industrial leader is becoming apathetic. We are tired.

Arising out of this situation is the increasing tendency on the part of those who contemplate any undertaking to turn for assistance to a reputation, which in many cases is manufactured by methods which have little to do with the facts of achievement. We take our medicine by its label and betray a decreasing interest in the contents of the bottle.

Without in the least criticising the ability of "Shamrock's" designers, it appears to be indisputable and possibly inevitable that she was a type of boat showing substantially no advance over any of her predecessors. Having, let us say, a limit of £60,000 with which to win the "America's" Cup, any departure from well-tested principles would have laid her designers under so serious a responsibility that they could not be expected to take it, and they did not take it, with the result that the American boat inflicted a defeat which, considered in the light of technical knowledge, is the most decisive which one of two similar-sized yachts has ever inflicted on the other in a race of first-class importance.

At this point it may be worth considering the principles which ought to guide a competitor in a contest of this description. The idea that it is a private enterprise, undertaken solely for the pleasure of the contestants, is as untenable as the idea that the owner of a possible Derby winner has a right to instruct a jockey to lose the race. Probably nothing has so effectively crystallised world opinion

in believing that Great Britain need no longer be considered seriously in world affairs, as the constant and well-advertised defeats which have been inflicted upon her in every department of sport, more particularly since the war. It is, in my opinion, a definite policy to spare no effort to procure these defeats, and the principles employed are fundamentally the same in each instance; to finance the British opponents and to make it impossible to finance the British defender. It is within the writer's knowledge that a few years ago, in a contest between American officers and British officers, which was held in Paris and which covered such sports as riding, swimming, shooting, etc., the American contestants arrived in France about a fortnight before the appointed date, and were housed in a delightful chateau some miles from Paris, with trainers, masseurs, and unlimited equipment, the whole of their expenses being paid, while the British contestants were working up to the day before, and either travelled at night or were in some cases accommodated in Paris hotels under circumstances which made it impossible for them to obtain any sleep the night before the contest. The remarkably good showing put up by the British team under these circumstances made it evident that under proper conditions we might still be capable of a reasonable share of success in contests of this nature.

Arising, no doubt, as one of the symptoms of our financial situation, is this inability to mobilise and concentrate our capabilities when necessity arises, or, at any rate, until that necessity becomes a matter of life and death, and finance takes orders instead of giving them. Although the consequences of defeat are national, all our efforts give one the impression of being purely individual. If we are content to be beaten on every occasion and are prepared to gradually acquire, as we unquestionably shall acquire, the habit of expecting to be beaten, there is nothing further to be said about it. But if we have any interest in demonstrating to other countries that we still are people to be reckoned with, the policy to be pursued is plain. By all means allow individual initiative free play in undertaking the business of British representation in any field of sport or commerce, but having allowed a suitable individual to become the champion of our ability, then let us see that no restriction is placed upon him in his use of the scientific technicalities and other resources which the country can provide. "Shamrock V." ought to have been the best of at least half-a-dozen yachts built expressly for the contest, as was the case in America. Her designs should have passed the criticism of experts of the National Physical Laboratory, the Royal Aircraft Establishment at Farnborough, and similar institutions, as well as those of any responsible shipbuilder with comment to offer. Cost should have been a matter of no consequence whatever. Under these conditions, and probably under no other conditions, we should have been competing on fair terms, and I am confident that upon such terms we could bring the "America's" Cup back to England, and, what is of far more consequence, re-establish our habit of success.

WHERE?

[Reply to a gentleman who told us in a wireless talk on banking last Thursday that a bank lends out money deposited with it by its customers.]

When'er the bank a pound doth lend
Its clients get one more pound to spend
Until the pound comes back: when lo!
It disappears. Where does it go? A. B.

The Law and Betting.

By John Grimm.

II.—LEGISLATION.

(Continued.)

The Betting Act of 1853 was only the first of a series of Acts extending up to 1910. It simply prohibited the opening of houses for either of two purposes (a) betting with persons resorting to them; (b) receiving stake-money. It also dealt with advertisements relating to such houses. Having done this, and having waited until people had got accustomed to the restriction, the Government proceeded to limit their freedom in other directions. Governments always act in this manner; they destroy popular liberties on the instalment-system. When they find that the public put up with the first instalment they demand another—that is to say, they manufacture a new sort of prohibition; and so on until imperceptibly they complete their encirclement of public liberties. Thus, in 1867, the Metropolitan Streets Act was passed, which created the offence of "obstruction" already described. Subsequent legislation was as follows:

- (1) 1873. Vagrant Act Amendment Act.
- (2) 1874. An extension of the Betting Act of 1853.
- (3) 1882. Municipal Corporations Act.
- (4) 1888. Local Government Act.
- (5) 1892. Betting and Loans (Infants) Act.
- (6) 1898. Libraries Offences Act.
- (7) 1900. Powers granted to County Councils.
- (8) 1901. Extension of the Libraries Offences Act.
- (9) 1906. Street Betting Act.
- (10) 1910. Licensing Act.

Very briefly, this is what the above enactments respectively effected.

- (1) Prohibited gaming with coins in public places. (But Lord Alverstone subsequently ruled that paying money as betting-stakes did not come within this Act.)
- (2) Added restrictions on betting advertisements.
- (3) and (4) Gave Local Authorities powers to make their own bye-laws regulating street-betting.
- (5) Prohibited the sending of circulars to persons under 21, inviting them to bet.
- (6) Prohibited betting in public libraries to the annoyance or disturbance of any person there.
- (7) Gave County Councils powers to make bye-laws for rural districts in the same way as in par. (3) above.
- (8) Extended prohibition (6) to apply to museums, schools, galleries of art and other public buildings.
- (9) Dealt with below.
- (10) Prohibited a licensee from allowing his premises to be used in contravention of the Betting Act of 1853.

The ninth item is the most important in the list. As might have been expected, the bye-laws enacted by Local Authorities and County Councils varied a great deal in character in different areas, and gave rise to many anomalies and contradictions in Court interpretations of the laws and in the judgments and penalties pronounced. Accordingly, statistics of convictions and circumstances were compiled for the whole country, and on the basis of this information, a comprehensive measure was passed in which most of these complications were straightened out, and the bye-laws codified and promoted to the rank of Statute Law. Such was the Street Betting Act of 1906. In this Act will be found most of the prohibitions described in the first chapter of this series. We may add a passage commenting on the Act from Jenkins's *Betting Practices*.

"... it may be noticed that loitering in or frequenting streets, etc., for the purpose of betting, agreeing to bet, or paying, receiving or settling bets in streets or public places are all made punishable offences. . . . Moreover, there is power to forfeit books, cards, and other articles relating to betting found in the offender's possession." Such, briefly, is the story of how layers and backers have got into the position in which they find themselves to-day. They are largely responsible for it themselves, for they have lacked the courage or the

energy to stand up for their rights: they have accepted without protest Parliament's moral valuation of the practice of betting, and have assumed a nervous and shamefaced attitude about it which has served to play into the hands of Parliamentary and other public busibodies. But there is no use in discussing how you have got in a hole unless it helps you to get out. So we will next direct attention to those considerations which are relevant to the objective of getting out.

III.—THE BANK AND THE BOOKMAKER.

When we said just now that betting legislation has been a financial ramp, we meant something more profound than the protection of masters' tills against apprentices' robberies. It was connected with what is called high-financial policy, which to-day is recognised as being controlled by the banks, and ultimately by the Bank of England. Now one of the main objectives of bank policy has been, and is, to encourage the use of cheques, and to discourage the use of cash in settlement of all sorts of transactions, whether betting or not. The reason for this will be discussed in a later chapter. Meanwhile it is important to notice that the first move in the game—the making of betting-debts irrecoverable at law—took place just one year after the Bank Charter Act was passed in 1844. This Act conferred privileges and powers on the Bank of England which have since enabled it gradually to acquire supreme control over the character and direction of all Parliamentary legislation which affected the interests of banks and associated financial institutions. Since then they have developed their schemes irrespective of which Party has held office. For example, the Betting Act of 1853 was passed while the Conservative, Disraeli, was Chancellor of the Exchequer; the Street Betting Act of 1906 while the Liberal, Asquith, held that office; and the last Act, the Licensing Act, while Lloyd George did so. So turf patrons have nothing to thank either Party for; and although the Labour Party has not been involved, the record of their Chancellor of the Exchequer, Mr. Snowden—who has publicly boasted that he is the "Bankers' Minister"—is proof enough that they would have been treated just the same if Labour had been in power during the period. The repression has proceeded from a source superior to that of any Party. For convenience we shall hereafter designate that source as the City, comprising banking, insurance, investment and other money combines.

We have said that the City's policy was to discourage the use of cash. But someone may ask why its first move in 1845 was to make betting debts irrecoverable, and thus drive layers to set up houses for cash betting. The first answer is that by doing so it obliquely attached a moral stigma to the practice of betting in all forms, credit or cash. Having, by this means, diffused the idea that all betting was morally reprehensible, it prepared Parliamentary opinion to approve its next step, in 1853, namely, that of regulating a certain form of betting. The effect of this preparatory move is seen in a remark made by Sir Alexander Cockburn when introducing the Betting Bill. Dismissing a suggestion that betting houses should be licensed instead of suppressed he said that "he believed that that would be *discreditable* to the Government"—i.e. that licensing would be a legal condonement of something morally reprehensible. The whole House, too, took the same view, and made this Bill an Act without debate.

There is a second answer. It has to do with another aspect of City policy, which is to discourage the spending of money and encourage the saving of money—not saving in the sense of hoarding cash, nor even accumulating money in a current account at the bank for spending later on, but saving in the

form of *tying money up* in investment securities. It needs little reflection to realise that the City's policy involves encouraging the stockbroker at the expense of the bookmaker. The question of morals does not enter into the affair. Both professions cater for the gambler; and if gambling is wrong they are both wrong. And as regards the losses incurred respectively by bankers and speculators, it is sufficient to remark that no injury that can be attributed to betting can hold a candle to the injury caused by Stock Exchange slumps. The reason why the City has no use for betting is that when a man bets, his stake, or his promise to pay if he loses, virtually goes into a pool which is held intact for redistribution according to the result of the race. It is a pool of cash and credit which is filled and emptied at comparatively short intervals—usually a week for the ordinary size of transaction. The bookmaker, who administers the pool, obviously cannot tie it up in investments; for he has to pay it all out (less his profit) in the same form as he has received it—i.e. cash or credit. But in the case of a man who invests in shares, his money does not go into a pool in the above sense. Nobody is under an obligation, legal or moral, to give him cash or credit for his shares. If he wants money for them he has to find someone willing to buy them and must accept what that someone is willing to pay, which may be more but is more often less than what they cost him.

There is a third answer, but as it rests on recent research in advanced credit-economics, it can only be asserted here. It is that the process of investing in shares is one which results in the withdrawal of money from general circulation, and its *cancellation* by the banks. That is to say, whereas the betting-pool is wholly shared up between layers and backers, the investment pool (so to call it) is tapped by banking and other financial institutions at the expense of the whole body of investors, and *without benefit to any other section of the public*. There are responsible economists to-day who ascribe the trade stagnation of this country and the world at large to this one fact. Their arguments are available to anyone who is interested enough to study them.

Having shown why the City has a general objection to all betting, we shall show in the next chapter why it has a particular objection to cash betting.

(To be continued.)

Australia and Scottish Nationalism.

By William Bell (Author of "Rip Van Scotland").

That Scotland may remain for ever in a backwater of the main stream of European thought is her probable destiny, if the present generation of Scots remains unconscious much longer of the march of world events. It is a truism to say that the most pressing problem of the immediate future for all the industrialised nations is that of unemployment, and its corollary, trade-stagnation. Every Ministry, except the French for the moment, is faced with this hydroid monster, whose many heads still remain secure, though they have been attacked by every shade of political "government" on the face of the earth.

There is, however, a considerable body of evidence to show that amongst English-speaking peoples is growing the belief that this gravest of subjects cannot be adequately dealt with *politically* only. The ineptitude of successive Administrations in this country, for instance, has resulted in an attitude of almost despair on the part of the electorate. At the recent by-election at Bromley it was no mere accident that over 46 per cent. of the voters refrained from exercising their privilege. This unconscious gesture of self-disfranchisement is a significant illustration

of the indifferentism towards politics *qua* politics which the English, at least, are nowadays negatively expressing. If this spirit of electoral indifference spreads much further, we may yet see Westminster taking a leaf out of the Australian book, and introducing compulsory voting. Yet "down-under," an All-White Australia is now grappling with the all-too-black future of her disillusioned people.

The spectacle of the Commonwealth "Government" being obliged to "invite" Sir Otto Ernst Niemeyer to "advise" them in the crisis of the State's financial affairs is a sight for the gods. That the compulsorily-elected "Government" of a great Commonwealth of "free" people should have to send an S.O.S. "invitation" to a member of a *private* banking company (for the Bank of England is as much a private joint-stock firm as is Selfridge's) is surely an anomaly. The position should be exactly the reverse. We have seen Sir Otto in the role of Dictator—not in the political sense of the word as applied to Signor Mussolini, who is only the political tool of the real Dictatorship resident in High Finance. The joke of this Australian situation is that a high official of the Money System, whose international policy has thrown Australia and the rest of the English-speaking peoples into the slough of trade-depression, has been asked to "advise" the Ministry how to get out of the financial mire. How ludicrous that after the Money System has deliberately rotted Australian industry in the mud of stagnant-trade, the baffled Ministry should submissively "invite" a high officer of that same Money System to brush off some of the mud!

Who governs Australia? Decidedly not the Commonwealth Parliament, any more than the MacDonald Cabinet "governs" Great Britain. For it cannot be too often repeated that whatsoever Political Party may be in office, the Cabinet is merely an administrative body carrying out the predetermined policy of the *real Government*, viz., High Finance. Any Parliament is only in *administrative* office, and never in *financial* power. General Elections invariably result in the people's "democratically" elected representatives ultimately carrying out politically the plans of the privately-elected representatives of the privately-controlled Money System.

Varro, the learned pre-Christian Latin scholar, believed that there are truths which it is expedient the people should not know, and falsehoods which they should believe to be true. One wonders whether the announcement that Sir Otto Niemeyer had gone to "advise" the Commonwealth Ministry (and not to dictate terms to it) comes under the category of falsehoods imposed on an ignorant people for the "good" of their souls?

Just as the contraction of theological influence at the Reformation was the essential condition for intellectual and scientific advancement, so the prime Reformation at the moment is a curtailment of the Private Financial Control of the affairs of all modern "Governments." The choice is a narrow one—either the Servile State governed by the Dictators of High Finance, or the Leisure State envisaged by Major Douglas.

Though Douglas has been for ten years as a voice crying in the wilderness, there is evidence that the cry has at last been heard in Lancashire. The other day it was announced that the Manchester Chamber of Commerce had adopted and sent a memorandum to the Prime Minister declaring that the present depressed state of British industry is attributable very largely to handicaps and difficulties resulting from monetary policy, national and international. It may now be hoped that what Lancashire thinks to-day, England may follow to-morrow. But how much longer will it be before the Douglas voice is heard in Scotland—by the Executive of the National Party, to be more exact? Are we to assume that the Execu-

tive is still in the political state of development?—a phase which has been weighed in the balance and found wanting. Have they got their eyes so affectionately fixed on Westminster that they cannot see that without economic control of a nation's Credit political "control" is a meaningless phrase?

All other parties abjectly accept the Dictatorship of the Old Lady of Threadneedle Street. Is the Scottish National Party willing also to accept that matriarchal form of absolute government? If so, then let them announce the fact forthwith. We should then realise that what they want is merely a *Parliament* (a talking-place) in Scotland, and not a *Government* with actual economic control in its own hands for the Scottish people.

Drama.

The Passing of the Essenes: Arts.

"And ever since the writing of 'The Brook Kerith' the conviction continued to strengthen that the stage was needed to give expression to all I foresaw of truth and beauty in the meeting of these twain principalities and powers—Paul resolute to fetch the world to Christ, and Jesus a moral philosopher, fixed in the belief that God would find a way to fetch the world to himself in his own good time." Thus in a sentence of seventy-three words, begun with a conjunction, Mr. George Moore justifies his stage-version of Paul's meeting with the human, all too human, Jesus.

Jesus is fifty-three. He is about to lay down his work as shepherd for the Essenes, to spend his last years peacefully in the Cenoby. He instructs young Jacob in selective sheep-breeding prior to transferring the flock to him. In the evening a stranger climbs the dangerous mountain-path. It is Paul, fleeing from the Jews in Jericho, and craving drink and a night's rest before starting for Cæsarea and Rome. While Jesus is absent Paul preaches the new gospel of Christ crucified and raised from the dead to the community, the Pauline theology being somewhat concentrated. The keenest and most learned philosophic debaters cannot shake Paul. When he is confronted with Jesus, who tells the story of his crucifixion, of his body stirring in the tomb, and of Joseph of Arimathea taking him home, Paul retires into epilepsy, but his faith makes him spiritually whole again; and when he sets out for Cæsarea most of the Essenes follow him, all, that is, but the learned ones and Jesus.

The stage-version is not, of course, a drama. Apart from Mr. John Laurie's acting of the wild-eyed fanatic, Paul, there was little effort to make it dramatic, and rightly, inasmuch as Mr. George Moore would no doubt regard the dramatic as vulgar. Mr. Moore's method, in fact, is precisely appropriate to the anti-passion play. This is both Mr. Moore's own salvation and the audience's temptation. Shakespeare endowed such as Christopher Sly with a miraculous power over a new medium, namely, vernacular prose. But his object was to express the essence of such persons. Shaw has blessed fools with the divine gift of oratory, but his object was to convince the audience of their foolishness. Mr. Moore brings out of the mouths of all his own carefully edited prose. But his object is to delete the personal essence rather than to create it, and so to leave the figures of his play fashioned into interrogation marks for the audience's meditation. For the play is a work of criticism, not of creation, although Mr. Moore's prose insinuates it as creatures into our minds. Mr. Moore's prose is a beautiful lullaby, so beautiful that one keeps just enough awake to go on listening to it; and the object of a lullaby style in criticism, however beautiful, is to disarm counter-

Mr. Moore carefully arranges Jesus's declaration of his age in the first act as if it were a fact of little importance, requiring no substantiation; as if, in other words, Mr. Moore could, while re-writing the Bible story, exploit the assumption that it did not exist. If the critic persist in keeping wide awake in spite of the beauties and charms of Mr. Moore's refinement and intellectualisation, the reflection of his critical prejudices can be seen everywhere. He sides with neither Jesus nor Paul, but with the learned men who remain Essenes, and with the Jesus, spectator of the world's folly, who remains with them. In spite of his efforts to be just to Paul it is quite impossible for him to treat Paul's epilepsy as a flight from fact, and to do anything but expose Paul as an impostor. Mr. Moore emphasises that the tomb in which Joseph laid Jesus was to be Joseph's own far more strongly than the gospel writers did, only one of whom mentioned it, and he more temperately than Mr. Moore. Such things fit perfectly with the publication of a limited edition of the play at two guineas a copy.

The play is beautiful. But it is the beauty not of truth but of seduction. While the whole of the gospel narratives may be rationalisations of a myth, it is not conceivable on reflection that Paul met the human Jesus and immediately denied him. A friend once argued for the acceptance of the resurrection on the ground that, while it was impossible, the known facts and subsequent history rule out every other explanation.

Mr. Robert Atkins' production of the work was beautiful, magnificent use being made of the small stage. He rightly called upon the actors for dignified presence rather than for performance. Possibly one sound reason for the prohibition of public representations of Jesus is that each person knows a different one. Mr. Ian Fleming's could give no offence. As the learned Egyptian, Mathias, Mr. Neil Porter gave an excellent presentation. Mr. H. R. Hignett's Hazael, the head of the Essenic community, was cut in white crystal, of magnificence and wisdom.

Knave and Queen: Ambassadors.

"Knave and Queen" was suggested to Mr. Edwin Justus Mayer by Fielding's "History of the Life of the late Mr. Jonathan Wild the Great." Mr. Mayer portrays none of Jonathan's greatness, but shows the man only as a secondary character and in his decline while waiting in prison in fear of the rope. No man, whatever his greatness, could be expected to be at his best under such conditions. The scene—the best piece of realism in the play—is Mr. Snap's house, adjoining Newgate Prison. Here debtor-prisoners, and possibly others, who have cash in hand are invited from the prison and, under detention, boarded well and allowed to carry on their normal lives. In default of a public to rob, they rob one another. Mr. Snap's daughter, Laetitia, entirely disproves all theories of hereditary likeness or transmission. She in no way resembles her father physically, and she distributes her favours to the prisoners with a non-commercial generosity that he would surely have turned into money if he had known about it. The dialogue between her and Count la Ruse, adventurer, debtor, thief, and her lover, is reminiscent of Jack Farns and Ann Whitefield. A young poet, just admitted to the prison household, also aspires to be her lover, and does, in fact, possess her the first afternoon, without any loss of romantic fantasy. But Count la Ruse disillusioned him. When the boy contemplates a sort of Shelley suicide, the Count gives him the money earned for his own release by promising Wild a pardon, and thus enables the boy to be quit of Laetitia and prison together. In reply to the boy's natural wonder at such munificence and generosity la Ruse says something very like indeed to "It's a far, far better thing I do than . . ." etc., and

commits suicide himself. Laetitia is not deserted, however. Lord Wainwright has arrived, for poisoning his wife and family, and although he disgusts Laetitia, there is no doubt that he will also console her.

There is some brilliant dialogue in this uneven mixture of modern sex repartee, eighteenth-century realism, costume romance, and modern American (equals English Victorian) sentimentality. There is also some brilliant acting, headed by Mr. Michael Sherbrooke's performance as Mr. Snap, a work of enthusiasm, study, and understanding, as is everything this actor undertakes. Indeed, Mr. Sherbrooke's Snap and Miss Mary Ellis's performance as his daughter almost assure the play's success. If Snap's daughter was as lively, witty, and charming, and played the game of coquetry as fairly as Miss Ellis, then Mr. Snap's house was never anything but full, and England could never have become anything but criminal as long as she remained there. As Jonathan Wild Mr. Reginald Bach makes more of Wild to be desired, his Hogarthian portrait almost ranking with Mr. Sherbrooke's. The producer, Mr. Basil Sydney, spoke la Ruse's lines excellently for the most part, but occasionally his line endings were lost.

PAUL BANKS.

The Films.

Common Clay: New Gallery.

This exceptionally good production, admirably directed by Victor Fleming, is not to be measured by ordinary standards of criticism. "Common Clay" is based on a play which appears to have aroused much attention in the United States, and, as is the case with most similar adaptations, there is in it much of the photo-play. But it is not a photo-play in the sense of "The Last of Mrs. Cheyney," which was nothing but a photographed reproduction of the traffic of the stage. Fleming has achieved definite fluidity, and the mobility of the microphone has enabled him to make the most of a much smaller number of changes of scene than is usual in a film. "Common Clay" is, however, mainly noteworthy for the superb acting of Constance Bennett, who is incidentally that rare thing, an American actress with a *voix d'or*. Miss Bennett, who is excellently supported by the whole of the cast, is one of the greatest discoveries yet due to the talkie. A merit of this film is the excellent and natural dialogue, which is infused with real and unforced humour. I cordially recommend "Common Clay."

News Reels.

The policy of the Avenue Pavilion of concentrating on a programme composed entirely of news reels, "topicals," and comedy cartoons has definitely justified itself from the box-office standpoint. The considerable number of people who paid for admission during the first few weeks of this most interesting and important experiment was not entirely a criterion, since in the entertainment world, as perhaps nowhere else, one has to allow both for novelty value and for reaction, as Hollywood has lately been compelled to realise. But the Avenue Pavilion would now seem to have become recognised as a cinema theatre filling a real public want, and I imagine that regular patrons are influenced by the element of surprise characterising its programmes.

My reason for returning to the subject is that it seems desirable to repeat that if the news reel theatre—and, for that matter, the news reel shown at the ordinary picture theatre—is to develop anything like its full potentialities, considerably more originality and initiative are necessary. We have still far too much insistence on certain aspects to

which the daily and weekly papers give such immense prominence, such as the trivial doings of Royalty, "Society" weddings, sport and athletics in all their manifestations, and far too little is made of the cinematic possibilities of the everyday doings of the world. A pregnant hint of those potentialities was afforded by a far too brief glimpse of the work of the Port of London which figured in the Avenue Pavilion programme last week. These pictures, which occupied only a few seconds in the showing, were not only interesting in themselves but also noteworthy for having been made by a photographer who knows how to combine high pictorial value with news interest, and to invest a "topical" with cinematic fluidity. Obviously, this is the kind of news film of which we want more.

The kind of film of which we want very much less was exemplified in the same programme, notably in a relatively lengthy series of pictures of a brass-band contest at the Crystal Palace. There is nothing of the slightest cinematic value or interest in immense photographs of brass bands in action or in close-ups of trombonists, and people who like this sort of thing can get their fill of it at the theatres which specialise in the particularly horrible American "vaudeville shorts." I know that to frame a completely satisfying news reel programme is an uncommonly difficult job, but it would be made easier if the Movietone, Gaumont, Pathé and similar organisations would encourage their photographers to wander as far as possible off the beaten track, and would realise that pictorial value should be added to news interest.

British Films.

It is satisfactory to be able to record that British films, hitherto the Cinderella of the industry, are among the box-office successes of the moment, a position which they have in the main won by merit. The native product is this week being shown at five of the most important London theatres, "Murder" being continued at the Regal and Alhambra, while "Young Woodley" is still at the Capitol and "Escape" at the New Gallery. Incidentally "Young Woodley" has made film history by being the first English film to be presented simultaneously in London and New York, and the first to have a Broadway showing. Finally, "Two Worlds," the new British International picture made by A. E. Dupont, has from Sunday been shown at the Dominion, the first English film to be given at that theatre, and the first tri-lingual picture made in this country. I hope to review "Two Worlds" next week.

DAVID OCKHAM.

Reviews.

The "Rex"—A New Money to Unify the Empire. By J. F. Darling, C.B.E. P. S. King. 48 pp. Price 2s. net.

Some comments on Mr. Darling's Empire credit scheme, now presented in this book, will be found in the Notes in this issue. Apparently his idea of an Empire Bank was conceived in 1917, for in that year (December) he issued a pamphlet entitled *Bank of the British Empire* for private circulation "in the hope of receiving constructive criticism." (His italics.) He attributes the conception of an Empire currency to the late Lord Milner.

"I was then [in the Spring of 1917] General Manager of the London Joint Stock Bank, of which Lord Milner had been a Director before he took office. What he said to me was to this effect: 'There is something I want you particularly to do. I believe it to be of the utmost importance for the future of the Empire that there should be an Empire currency. I have no time to go into the question fully at present, but will you think it out and let me have your views?'"

The pamphlet was the outcome. Mr. Bonar Law, shortly after its issue, inquired if Mr. Darling would submit the scheme to the Cunliffe Currency Committee. "To this I respectfully demurred. What one was looking for at that time—and for that matter ever since—was not destructive

criticism, but constructive help, which is much more difficult to obtain." In Chapters IV. and V. is a survey of monetary policy concerning silver, with an explanation why this metal has fallen to so low a price. Chapter VI. shows the effect of such policy on India and the Empire. Mr. Darling argues that the rehabilitation of silver as a basis of currency along with gold, would so improve the economic conditions of the silver-using peoples of the East as to restore British prestige there, and lead to a settlement of political unrest in the eastern part of the Empire. Nothing need be added now, as the scheme will be certain to be discussed more than once in these columns. Students should not miss acquainting themselves with what Mr. Darling has to say.

A. B.

LETTERS TO THE EDITOR.

MR. WELLS AND MR. VOWLES.

Dear Sir,—I do not think it is necessary for me to say anything more about Mr. Vowles after his exhibition of himself in your issue of September 25, except to remark that his statement of claim for £6,000 plus, is in existence and can be produced at any time. His violent denials in the matter are an excellent gauge of his general trustworthiness.

H. G. WELLS.

[As all the points of the controversy appear to have been dealt with we pronounce the closure.—ED.]

SOCIAL CREDIT PROPAGANDA.

Sir,—I thank you for your kindly reference to the "birth" of the *Age of Plenty*. Difficulties in the way of publication have been surmounted partly, and only by continued support can it be hoped to completely overcome obstacles in our path. The amount of financial support required by the *Age of Plenty* to carry on popular propaganda is quite small compared with the funds received by other propaganda bodies. Many are unaware of the fact that in addition to printing and publishing, the *A. of P.*, those at the address given below do no small amount of "routine" work in connection with propaganda of all kinds. Our chief aim is to interest and gain the active support of intelligent working men and women. In this direction satisfactory results are being achieved. I feel sure that all supporters of THE NEW AGE appreciate our work and will continue to give us encouragement.

H. E. B. LUDLAM.

12, Grantham-street, Coventry.

ANSWERS TO CORRESPONDENTS.

R. S. T.—Copy of your letter received. Thanks. You overlook (1) the circumstances in which the speech was made, and (2) its extremely fine literary quality. If you expect a business chairman to propound to his shareholders an economic policy apparently running counter to their interests you are greedier than we are. While it is true that Social Credit will take care of every kind of interest, it is not always sound tactics to preach it on that basis. You have to accommodate yourself to the particular standpoint of your audience—especially on the first occasion when you introduce the subject to them, as was the case here.

FREE TRADE.

Signatories to the Reply to the Protectionist Bankers' Manifesto.

III.
W. and T. Robson Ltd., Motor Body Builders, London.
Conway A. Ross, of W. A. Ross and Sons Ltd., Belfast.
Hugh L. Roxburgh, Director, Midland Bank Ltd.
T. Rowbotham and Co., Ltd., Victoria Engineering Works, Stockport.
B. S. Rowntree, J.P., Director, Rowntree and Co., Ltd., York.
Schunck and Co., Bradford.
James A. Sinclair, of James A. Sinclair and Co., Ltd., London.
W. H. Somervell, J.P., Kendal.
William Stern, J.P., Manchester.
The Steel Union Trading Co. (Great Britain) Ltd., London.
B. S. Straus, Chairman, Virol Ltd.
J. T. and J. Taylor, Ltd., Batley.
Henry T. Treglown, Director, Burnell and Co., Ltd., Ellesmere Port.
T. Fisher Unwin, Midhurst.
Samuel White, Birkenhead.
J. H. Weager, J.P., Metal and General Agency, London.
H. J. Welch, of Harrisons and Crosfield Ltd., London.

Charles Wicksteed, Kettering.
Alderman Charles Willis, J.P., Rochester.
George Wills and Sons Ltd., Exporters and Importers, London.

(Concluded.)

TEXTS FOR PROPAGANDISTS.

Sir Otto Ernst Niemeyer in New Zealand. Paragraph in *Daily Mail*, September 29, reports his saying that what the world needs is the loan of more money from the United States. Cf. Owen D. Young's identical policy—to export U.S. goods for foreign obligations. Suggested title for S.C. thesis: "The Importance of Being Ernst." Subject of Thesis: Bank of England as tout for U.S. exporters.

Niemeyer declines to discuss statement that he had not been invited to Australia by the Government. Statement had been made by Mr. Blakeley, Australian Minister for Home Affairs. Niemeyer does deny Blakeley's further statement that Bank of England proposed to take over Australian overdrafts at the Commonwealth Bank and the Westminster Bank. Says that Bank is not interested in such business (which is probably correct).—See *Northern Whig*, September 23.

Barter system suggested in U.S.A. as means of dealing with British, Japanese, Brazilian surpluses of rubber, silk, and coffee—to be exchanged, e.g., for U.S.A. commodities. Hoover, Lamont, and others examine the proposal. "The opinion is expressed" that barter should be refused, principally because it would have a "bad psychological effect in both the United States and abroad." (Exchange cable from Washington, October 2.) S.C. Thesis: Bad psychology to experiment with banker-saving schemes!

Problem of getting transport revenue in Glasgow. "We tried tramway shelters and they became love abourers," complained Baillie P. J. Dollan, at conference of Municipal Tramways and Transport Association at Harrogate. (*Evening News*.) Presumably the free, dim shelters beat the penny, brilliant trams. Solution: Darken the trams and illuminate the shelters. Maxwellton trams are bonnie, etc. Scottish poets, come forward.

Manchester Chamber of Commerce's Memorandum. Best synopsis probably that in *The Times* of September 17. Five points (on the main track):—

1. Depression due to fall in prices.
2. Monetary policy has failed to correct it.
3. Gold standard has not operated as expected.
4. Has automatically increased real cost of wages and fixed charges.
5. Macmillan Committee should issue immediate report. Two more points (up a side track?):—
6. Only Treasury and Bank technicians can advise what to do.
7. Government invited to take any alternative action to that indicated in the Memorandum if it appears more advantageous.

General significance of the Memorandum is that it repudiates the suggestion in the Government's Cotton Report that the cotton industry is responsible for its own plight and should get out by its own efforts. Significance heightened by reason of fact that Chambers of Commerce are usually commercial sewing meetings run by financial curates.

"Consumer Credit Corporation." Prospectus issued. Fredk. Thoresby—whose name is familiar to many readers—to be Managing Director. Capital, £250,000. (£1 Prefs., 1s. Ords.) Subscription list closes October 24. Thoresby circulates reprint of letter by him to *Financial News* of August 8. In it are these points (our italics):—

- (1) Instalment-purchase enables people to buy what they want immediately "instead of waiting until they have the cash at some indefinite date in the future, which usually never arrives." (1)
- (2) It "prevents undue price-cutting."
- (3) "If we are able to use in a given period, say, £100,000,000 of currency twice over instead of once only, its value to the community has been doubled."

(1) People who cannot save £12 in a year can save £1 a month during a year! (2) Increased demand will stabilise price while reducing cost. (3) The "benefit" seems to depend upon the assumption that incomes can be doubled without increasing costs. The Prospectus does not explain how this is done.

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W.C.1

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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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Published by the Proprietor (ARTHUR BRENTON), 70, High Holborn, London, W.C.1 (Telephone: Chancery 8470), and printed for him by THE ARGUS PRESS LIMITED, Temple-avenue and Tudor-street, London, E.C.4.