

# THE NEW AGE

INCORPORATING "CREDIT POWER"

A WEEKLY REVIEW OF POLITICS, LITERATURE, AND ART.

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## NOTES OF THE WEEK.

It is barely a month ago when Major Douglas wrote his article in the "Star" concluding with the following passage:—

The establishment of good and satisfactory relations between the peoples of America and Europe (especially the British) is a matter of prime importance to the happy future of the world. But to imagine such a situation can be consummated by establishing a world dictatorship in finance, centralised in Wall-street and Washington, with branches in Lombard-street and elsewhere, is to ignore the ever-growing resentment of Americans themselves to the despotism which is already the prime issue in American politics.

Last week the Press published extracts from a report made by the Advisory Council of the Federal Reserve Board—the American equivalent of the Bank of England. The Council has been considering the Dawes report, and the following extracts, which we take from the "Daily Mail," give a clear view of its attitude. They are called "challenging passages" by that journal:—

The Dawes report leads the world to the cross-roads. It provides for a German note-issuing bank on a gold basis, but leaves the door open to place it on a sterling basis, and it cannot be denied that there is no small probability of the latter basis being chosen.

In the opinion of the council the sooner Germany can be placed on a gold or gold-exchange basis the sooner will England, and other countries also, revert to an unrestricted gold standard, while, if Germany were placed on a sterling basis, England, in returning to an unrestricted gold basis, would have to pull not only her own weight, but that of Germany also.

It is obvious, therefore, that if the new German bank is placed on a sterling exchange basis the world must prepare itself to remain on a basis of exchange in stability for a prolonged period, the end of which cannot be foreseen, while the adoption of a gold—that is a dollar—basis would accelerate a return to world-wide stability. It is this momentous alternative which is involved in the organisation of the new German note-issuing bank.

Going on to advise the Federal Reserve Banks to afford facilities for the re-discounting of "properly protected German gold bills," the Council comments:—

Measures of this kind do not only tend to bring our gold hoard into active and healthy use, by enabling and encouraging other countries to trade in

terms of dollars, we stimulate our own foreign commerce. We facilitate, furthermore, direct sale in dollars of our own products instead of making foreign countries and ourselves dependent in this respect upon Great Britain's acting as broker and banker, as naturally she would where the pound sterling would govern as an exclusive basis of commerce and trade.

The American gold hoard referred to is now no less than £930,233,000, and the equivocal benefit of its ownership is made clear when the Council has to comment:—

Unless America finds ways and means to permit her excessive banking strength to benefit other countries, particularly those striving to put their house in order, the dollar cannot maintain its position as a world standard of exchange, and foreign countries—and even American banking and commerce—will once more in larger degree become dependent upon and tributary to the pound sterling, to the greater exclusion of the dollar.

In a summary of the rest of the report, the "Daily Mail," writes:—

The danger of the over-saturation of America's credit power is, the council points out, being brought ever nearer by the stream of gold flooding her shores. With inflation the economic maladjustment already existing within the American boundaries, to the great distress of her trade with other countries, and especially to the distress of her agricultural situation, is bound to be aggravated. Therefore it recommends in the strongest terms a financial policy aiming at the establishment of the dollar as the standard of international exchange.

If anything were still required to convince the world of the futility of the gold standard, this report ought to furnish it. Even the City Editor of the "Daily News" has to say that "from London's point of view the position of sterling among trading nations may be more important than the rapid return of sterling to gold parity," although he makes his perfunctory obeisance to gold in the reflection that "a return to the gold standard is important to America—ultimately to all nations—but (he brightens up) it must, as things are now, be slow."

Observe, under the current laws of finance, America is entitled to create vast quantities of credit just because she has vast quantities of gold. But she dare not do so because of the inflation of prices which



would result. Hence her sad reference to the "oversaturation" of her "credit power." "Though possessing this store of gold," says the "Daily News," "and though having the only real gold standard currency, America has not been able to extend her financial empire as widely as she would wish." Yet London, working with an inflated currency, "has been resuming her position as undisputed financial centre of the world." Of course, these considerations leave us cold, for the welfare of the ordinary individual is not altered by the fact that certain groups of bankers are cutting out others in the field of overseas money-lending. But looking at them from the bankers' own point of view, do they not italicise everything that has been said in the new economic literature during years past?

This controversy has an ugly aspect. The ugliness resides in the fact that it has been made public. Open diplomacy is ruptured diplomacy. We said recently that the prime duty of statesmanship was to find work and food for the home population; and behind this financial ultimatum to Europe in general and Great Britain in particular is the disquietude of Wall Street about the future of American trade. To American finance the question of currency standards would not be of supreme importance if it saw other methods of securing for American enterprise a disproportionate share of the world's trade corresponding to its disproportionate share of the world's gold. By all the laws, rules and beliefs of professional bankers this summum bonum ought to emerge automatically from the situation. But it does not. It would if the citizens of the world were Robots, but they are not quite that yet, in spite of the good work of the League of Nations; they still retain the rudimentary instinct of self-preservation. No peoples are going to say "We have no gold; let us starve," while they are surrounded by other things more edible. According to the "Daily News" our financial leaders over here are glad that America has raised the point in anticipation of the coming into operation of the Dawes Report. It is a matter for really thoughtful (not to say reverend!) consideration, and no view expressed at present could be final. We can only wait for developments, and seeing that Lombard Street is momentarily in the same condemnation as British industrial interests, perhaps we may hope for signs that it will amend its ways and exert its power to bring about an immediate commercial revival at home coupled with unassailable military preparations against external aggression. The means for doing so are quite familiar to it.

There is one merit (among, we hope, many others) about Mr. Lloyd George. When he wants to throw a light on a discussion he never makes a mistake about the right switch. In the Debate on the bill to nationalise the mining industry he swooped down on the question of the price of State purchase, which Mr. Shinwell had referred to as only a detail, and held it up as a point of vital importance. He had no difficulty in proving that the interests of the consumer were entirely disregarded. As an instance, the bill provided that if the nationalised industry made a loss, the taxpayers would have to pay it. If it made profits, it would retain them. It was to have been under the control of ten nominees of the miners and eleven nominees of the Government; in other words, controlled by a financier-producer cartel which would fix wages and prices. Mr. Shinwell made the only reply possible to Mr. Lloyd George's attack, and that was to challenge him to produce an alternative to the principle of nationalisation. Mr. Lloyd George was ready for the challenge, and produced an alternative, but it was chiefly noteworthy for the glibness with which he slid along it to firmer polemical ground. We are not, however, exactly lost in admiration of the critics. The way of all oppositions

is only too easy. The reason is that each Government, as it comes to deal with industrial and social evils, legislates on the assumption that they arise from a defective productive system or from moral defects in the people who carry on that system. And as this is not true, its legislation is easily ridiculed by anybody who cares to constitute himself a champion of the consumer, for, as long as the incidence of credit-accountancy and price-regulation on the community's purchasing power are ignored the fleecing of the consumer will continue, whether under a capitalist or a public system of management. And it would go on just the same even if every politician drank cocoa and read the Bible. It is the blind consequence of technical misunderstanding. It will not disappear until there are fewer sentimentalists with wet handkerchiefs and more students with wet towels.

The miners' leaders and the owners have come to an arrangement for the adjustment of wages. The percentage to be added to standard wages so as to constitute a general minimum is to be increased to 33. The additional wages from surplus profits are now to be 88 per cent. of the surplus instead of 83 per cent. According to the "Daily Mail's" correspondent, neither the men nor the owners in South Wales are satisfied with the change, for during the last month or two the proceeds of the industry have hardly yielded the "standard" profits even when wages have been only 28 per cent. above the 1914 standard. The wages will now be 46 per cent. above, and so a deficit is expected to accrue. Still, let not trouble be met half-way. Perhaps a change of heart will come to the customers of the coal industry and they will hand in plenty of large orders at high prices.

We have received the Fourth Annual Report of the Society for the Oversea Settlement of British Women (Incorporated). In a covering letter the Publicity Officer, Dame Meriel Talbot, D.B.E., remarks that "it will probably be of interest to you." During the year 1923 sixty-one meetings have been addressed and thirty-one conferences have been organised. Over 35,000 letters have been received and 52,000 sent out, while interviews with 4,378 persons have taken place. The Society owns a hostel in British Columbia. Not enough "educated women are migrating to British Columbia" to justify the opening of the whole hostel, so it is rented to a tenant, one or two rooms being retained for the use of women settlers. The hostel was inspected during 1923 by Major Goldman, chairman of the Finance Committee, and Miss Vaughan-Jones, a member of the Society's staff in London. Elsewhere in the report it is recorded that Miss Gladys Pott, O.B.E., Chairman of the Executive Committee, recently visited Australia, where she was able to acquaint herself with full details of the arrangements made for the care of women settlers. She was able also to report that the girl and women settlers out there "expressed no regret at having decided to leave the Old Country for the new." While she was away it was of course vital that the Chairmanship of the Executive Committee should be filled so Dame Meriel was appointed to the position, her publicity duties being taken over by Mrs. Berry, whose services we are glad to know were much appreciated by the Council. We ought to have said that Miss Pott visited the Y.W.C.A., G.F.S., Salvation Army and Travellers' Aid Society's hostels in Australia and New Zealand, and that "she was impressed with the fine buildings . . . the ready welcome afforded . . ." and so on. Speaking on "Openings for Educated Women," the Report says: "Competent women of the educated type who are prepared to undertake domestic work on arrival overseas will often find subsequent opportunities for exercising their professional knowledge and abilities."

Really it is most dilatory of the Society to have held back this important opinion for publication in the Annual Report. Intending emigrants cannot hear these things too soon, and an advertisement should have been put in the Press at once. Another thing: "Each applicant . . . should be an efficient worker and should intend to give a good return for the wages offered. She must be prepared to adapt herself to Dominion conditions and not expect her employers to adapt themselves to her customs and habits." This exposure of the idiosyncracies of overseas employers will come as a great surprise to wage-earners at home; the warning implicit in it is extremely valuable.

And what has the Society actually done? During 1923, 1,185 applicants sailed under its auspices. Of these 435 went out to take jobs; 428 to join fiancés or relatives, while the remaining 322 were children. Out of the 435 jobs the Society obtained 211, while the rest were obtained by the applicants or provided by Dominion authorities. To achieve this result it has spent during 1923 the sum of £7,855. On the other side there is a receipt of Government grant of £6,611 15s. 11d., a Publicity grant of £664 17s. 4d., and apparently a further reimbursement of £274 for "Administrative Expenses" abroad. The rest is chiefly private subscriptions. And how has the money been spent? Rent £1,300. Salaries of Staff (including insurance) £4,457. Postages, Printing and Stationery £862. Travelling of Staff £28. Conductress' fees and expenses £107. Publicity Officers' salary, travelling and other expenses £675. These items add up to £7,429 out of the £7,855. But only one that did an emigrant any direct service—and that is termed in the financial statement "Bad Debts (fares)" and the amount is £37. So far as we can see the only work for which the expenditure can be justified was that of obtaining the 211 jobs for emigrants. Practically all the other work could be done by Thomas Cook and Sons, and we doubt whether they would want much more than their profit out of the passages.

Our object in noticing these activities is not to decry their extravagant cost. So long as science is casting human beings out of jobs and finance is denying them an income just because they are out of jobs, one must expect human ingenuity to provide itself with jobs and income. Well, this Society has done it, and done it very well. And, further, the more women it assists abroad the fewer left here to compete for its staff appointments. So everything works together for good to them that have jobs, while the sabotage of the industrial system rolls and hacks its way grimly forward.

### Depositors and Bank Failures.

III.—THE ECONOMICS OF REIMBURSEMENT. The most obvious answer to the claim of depositors whose money has been lost by reason of bank failures is, of course, the question: "Why should you seek to stand in a privileged position in relation to numberless other people who venture their money for gain and lose it." And the argument has a good deal of force. The private investor lays out money in the hope of making an income. He does not work for the income; he expects it to accrue in his sleep. But so does the depositor. If the investor, then, happens in the end to lose all his money, why should he also not be recompensed by the State or, if you like, the banking system? On principles of strict equity, and assuming the soundness of the existing system of financing productive enterprise, there is no final answer to this line of reasoning. Between a man who deposits £100 for

the sake of interest and one who invests £100 for the sake of dividends there is no essential difference. Both of them, in their separate ways, are assisting production; both of them are abstaining from consumption. If there is any distinction at all, it is that the first pays more regard to the quality of his investment than to the quantity of the income, while the other acts upon an opposite principle—a psychological distinction without a moral or economic difference.

But directly we mention psychology we are really sowing a principle of differentiation. The idea of "duty," of "citizenship," is more closely associated with "saving" than with investing. "Saving," in simple minds, is synonymous with "putting my money in the bank." It is true that investing is also classed as a form of "saving" by the more sophisticated, but among the first-named there is a clear distinction. If not, there would never have been formulated the phrase, "investing (one's) savings." Whatever other motives are at work, there is no doubt at all that the accumulation of one's money in a banking account carries with it the idea of a *service* performed for the general good. To "save" is a virtue. On the other hand, the taking of one's savings out of the bank in order to invest them is not spontaneously regarded as a virtue, and, as an observed fact, the investor does not claim admiration for the act—except when he happens to get his head swollen occasionally by the injection of some transient political stimulus. The mere mention, too, of a stimulus is likely to arouse the reflection that neither is the self-satisfaction of the "saver" a natural reaction to his act of saving, but is, itself, induced by an external influence. And that happens to be a true reflection. Both states of mind are, in this sense, artificial. Yet one may say that whereas the sense of virtue in the "saver" is the product of a social atmosphere, that in the investor is raised by a political breeze. The first is an objectless individual feeling which completes a psychological circuit, while the second is a purposive mass impulse directed towards an objective, or, as is more usual, evoked by outside criticism. So, whatever the rules of logic may dictate, there is something in the souls of men which feels a distinction between the two acts of "saving up" and of "laying out." The first is a virtue in itself; the second a virtue *ad hoc*.

This, next, leads us to inquire how the "atmosphere" and the "breeze" just spoken of come to exist. The answer is that they are, like their effects, artificial. They are the instrument of policy. And, the apex of policy being the financial system, they are an implement of high finance. Little need be said here to amplify the argument as to the power of unlimited wealth to condition the standards of morality within a community. Nor have we space here to describe the political or economic aims out of which they insinuate themselves into its habits of thought. It suffices to point out that the profitable exercise of the credit mechanism depends upon the inducement which the people have to use the smallest possible amount of currency. To high finance, more saving in society means less currency in circulation. And the less currency in circulation the higher its "gold" value. (We are speaking of paper currency in the light of the present inflationary circumstances.) The higher its gold value the greater the "security" of the monopolists of gold on the one hand and credit on the other—although, for that matter, the said "hands" clasp each other behind the selfsame back. "Saving" therefore being the cement of the Canadian Bankers' Association, it is not in the least surprising to find it almost a sacrament in Young Men's Christian Associations.

What then, to come to the final point, when one of these repositories of the people's "duty" closes its doors? Are the depositors to kneel and say "Amen" as soon as they hear a voice crying, "Que Dieu leur



soit en aide! " God help them, indeed! Are they so sure that God intended them to forgo His bounties in order to carpet the Temple with dollar-notes? And in any case, had they not better inquire whether their deposits are beyond earthly recovery before they clamour at the Gates of Heaven? Let us see. First, what is the source of all deposits? The answer is, the banking system. That system creates them by writing certain figures (representing a sum of money) on two sides of its accounts; once on the debit side of a customer's loan account, and once on the credit side of his current account. If the borrower now draws cheques and pays them away in exchange for the goods or services he requires, the sellers of these goods and services become the owners of that "money." When they pay it in to their banking accounts, it is clear that the borrower's loan has now become the sellers' deposits. What has happened is that the system has pretended that the borrower has drawn out actual metallic money (and is owing it to the bank) and also that he has simultaneously paid this money in again (and the bank owes it to him). So, while Mr. McKenna's phrase, "Bank loans create bank deposits," was sufficiently near the truth for the lessons he was imparting to his audience when he used it, an exact description of the process would be the statement that a bank-clerk's pen creates both a loan and a corresponding deposit at one and the same time. Assuming that the sum of money so created, borrowed and used is 100 dollars, the effect is that the total amount of credit-money in circulation is increased by that sum; and it will remain so increased until the borrower pays the 100 dollars back into his loan account, upon which the original creation will be cancelled and the amount will have disappeared from circulation. All these transactions, bear in mind—with all their vital incidence on the activities of the community—are carried out by mere writing. The pen is mightier than the hoard.

If one wishes to see a life-sized picture of this process at work in society, he can do so after this manner: imagine, let us say, all the manufacturers, traders and so on in Canada to be labelled with serial numbers—1, 2, 3, 4, and so on. Stand them in a row. Tell the even numbers to take one pace to the rear. There are now two rows. Let the front row represent those who, at a given moment, happen to be raising loans from the banking system. Let the back row represent the others who, let it be assumed for the moment, neither want to borrow, nor are owing anything to the banks. Now, suppose the front row borrow between them 10,000,000 dollars; in other words, suppose they are granted the right to draw cheques for 10,000,000 dollars in excess of whatever amount they already happen to have in the bank. They do so. Now suppose that they pay away all this money in purchases from the people in the back row, who, thereupon, pay it into their accounts. In that case the banking system will have a call on the front row to return it this money, while it will, in its turn, be liable to a call from the second row to pay them out the same amount.

Now, the back row of course look upon the 10,000,000 dollars as their own money. So it is: they have worked for it or parted with something for it. Nevertheless, though they rightly call it their property, that does not get over the fact that the front row owe it to the system, and, further, that until somehow or other they can, in the course of subsequent trade, get it again from the back row, they cannot possibly liquidate the debt. That fact, we may digress to say, is the underlying cause of industrial friction in all countries to-day: the two rows of citizens, so to speak, are equally convinced of the "sanctity of debt obligations" but are unconsciously opposing their fulfilment.

But let us hasten on, for we are now within sight of the ruins of the Home Bank. Supposing that the

back row, whom we will now call by their financial name—"the depositors"—were to say (as one might easily imagine their saying if they listened to many speeches of the tone of Mons. St. Pere's) "We are willing to forgo our claim on the banking system for our 10,000,000 dollars, because we wish to practice that 'bienveillance' of which we hear such an eloquent account for the benefit of those poor front-row debtors." How could that benefit be actualised? Well, the banking system could open a collective loan account in the names of these kindly depositors. In that account it could debit them with a pretended loan of 10,000,000 dollars. To the credit side it could transfer the 10,000,000 dollars already standing in the depositors' accounts. That would balance off all the accounts so far as the depositors were concerned. Next, to offset the pretended loan to the depositors, entries would be made of a pretended repayment of 10,000,000 dollars by the front-row debtors. This would close the debtors' accounts.

The net effect of all these book-keeping adjustments would come to this, that the banking system had rid itself of the liability to repay 10,000,000 dollars of deposits to its "back-row" clients, and had, per contra, excused the "front-row" clients from their liability to repay it that same amount. Thus, the bank ledgers would still balance, while a burden would have disappeared off the backs of a large proportion of the community.

But now imagine what would be the position supposing that the banking system, while accepting the sacrifice of the depositors, omitted to pass the benefit on to the debtors. It would have got rid of a 10,000,000 dollar liability without reducing its assets. In a word, the renunciation of the depositors would have been transmuted into bank reserves.

Now, at last, we are treading on the smouldering embers of the Home Bank. For what is the economic meaning of the failure of this bank but that its depositors have "renounced" their claims on it? Of course, the "renunciation" has not been voluntary; far from it; the depositors are all out to cancel the renunciation. But this psychological agitation is entirely irrelevant to the question of the economics and bank-accountancy of the so-called "lost" deposits. Deposits are never lost except as and when the banking system cancels them against loan repayments. Naturally, if one confines his survey merely to the condition of the Home Bank, there is no question but that the deposits have disappeared. But that does not close the inquiry; it only widens it. Where have the deposits gone? Well, they have, by various means (whether legitimate means or otherwise makes no difference) passed into the possession of other people, and are either now figuring as deposits in the other banks of the system or have since been applied to the repayment of loans and so cancelled.

We submit that upon the banking system rests the onus of showing reason why it should not re-create the "lost" deposits and credit the depositors with the amount. So far as that amount has been used by other people to reduce their indebtedness to the banks, the banking system is to that degree rendered the more secure; for it has thereby been able to reduce the ratio of credit to currency. It means that the existing banks have sucked stability out of the withering of the Home Bank, and that the ill wills of the victimised depositors are become the goodwill of the Canadian Bankers' Association. Upon that foundation, in our opinion, rests the justice of the claim that the Canadian banks should reimburse these depositors.

Is there a possible alternative case against the Government. Yes. Assume that the "lost" deposits happen not to have been applied to loan repayments at all. Then they are still in circulation as the property of the citizens of Canada. There is a sense in which they may be regarded as the receivers of mal-adminis-

tered property. The errors of the Home Bank administration have put this money into their pockets. In that case, should the Government tax them in order to recompense the depositors, it would not be unjust—although it would be "hard lines."

Nevertheless, we would excuse the Government and its tax-paying subjects from this liability, for there is no reasonable doubt that the banking system in Canada has long since gathered in the monetary equivalent of the lost savings in the form of loan repayments. It has used the ruin of the victims as ballast in its foundations.

Lastly, not only it is just to claim reimbursement from the banking system, but it is practical. "God will forgive me—" chuckled the indomitable Heine on his death-bed—"that is his profession." So may the dying depositors say: "The banks will create us our money; that is their profession." "But," one may imagine the quavering chorus of humble, ingenuous, "practical bankers," "we cannot create money except on sound security." Quite so. We then point out that they have acquired the security already in the form of hidden reserves. That is a retrospective consideration. There is the further prospective argument that the business which the defunct Home Bank would have done if it had not failed will now be done by the other banks. The position is analogous to that of the closing down of public houses under a licensing scheme. Trade is not lost to the brewers—it is only diverted to reach them through other channels.

We shall not stay to consider any argument which rests on the fact of the Home Bank having been an independent bank. The "Am I my brother's keeper?" complaint comes too late. The time for raising that issue was before the Bank Charter Act was driven like a battering ram through the front and back walls of the Canadian House of Commons. The Progressives would have devised legislative means of "keeping" the said brother; in fact, they were engaged in doing so when they fell under the debris and had to lie and watch through a haze of dust the fast receding posteriors of the Canadian Storming Association.

*Que Messieurs les accapareurs commencent!*

#### HYMN TO DIANA.

(From "Catullus.")

Dian's votaries are we,  
Youths and maidens fancy-free,  
Dian then be our refrain,  
Youths and maidens without stain.

Mighty child of mighty Jove,  
Fruit of his and Leto's love,  
Born beneath the olive-shade  
In the holy Delian glade;

Still to reign, the mountain's queen,  
And of every forest green,  
Valley in seclusion deep,  
Torrent roaring down the steep;

Thou when pangs of birth are near  
As Lucina still dost hear;  
Thou at crossways Trivia hight,  
Thou the Moon, with borrowed light,

Down thy monthly pathway ranging,  
Measure of the seasons changing,  
Thou dost kindly fruits bestow  
Till the yeoman's barns o'erflow;

Hallowed by whatever name,  
Be our refuge, still the same,  
Grant thy kindly help to us—  
Ancient race of Romulus.

W. B. S.

## Keynes versus Cannan.

By G. Biddulph.

In the March number of the "Economic Journal" Professor Edwin Cannan criticises Mr. Keynes' "Tract on Monetary Reform" under the heading "Limitation of Currency or Limitation of Credit?" There are fourteen pages, out of which the only useful remark is in a footnote—"a plea for the introduction of the term 'money-spending power.' Purchasing-power should be used only in the sense in which it is measured by the quantity of commodities purchasable. To use it in a sense in which it is measured by the quantity of money spendable is confusing"—and this is nothing original.

Whether Professor Cannan is arguing to a brief, or whether he is so obsessed by what banking was, or should be, that he is unable to see what actually takes place, is a matter for speculation, but a professor who can write the following should be promoted or superannuated.

"The bankers are thought of as having (by some means which is left in considerable obscurity) got hold of a certain amount of cash, and then, apparently because there is some magic in calling yourself a banker, being able to 'create' eight or ten times as much 'money' or 'deposit currency,' . . . and thereby increasing the money spending of the people and raise the level of prices and draw out notes. This of course is all moonshine; every practical banker knows that he it not a creator of credit or money or anything else, but a person who facilitates the lending of resources by the people who have them to those who can use them."

How reminiscent this is of the "New Statesman," or did Professor Cannan himself inspire the outburst attributed to Mr. Sharp two years ago?

In the review of "Money, its Connection with Rising and Falling Prices," Professor T. E. Gregory supports his chief, claiming that "the authorities who consider money spending is increased if deposits lent to banks are relent," eight or ten times, and that the subsequent lack of cash results in calling in of loans and business depression—"have evidently not fully grasped the lesson of Germany, where unparalleled increase in cash reserves has not resulted in a proportionate increase in deposits. If there is anything in the idea that 'cash' limits deposits instead of deposits determining the amount of cash which bankers found it desirable to retain, the whole recent banking experiment of Austria and Germany should have been the reverse of what it actually was."

This is typical reasoning of the London School of Economics, a jumble of false premises, analogy and conclusion. What difference there is between lack of cash limiting credit, and extended credit requiring more cash, is something too subtle for the lay mind, but the suggestion, that if lack of cash limits credit, then "an unparalleled increase" should produce proportionate deposits, not only begs the questions of the causes of, and events accompanying such issues, but shows that the author of the "reasoning" has not in the least grasped the real lesson of German finance, which is that the present system of money and prices is impracticable if allowed free play.

Mr. McKenna, in his annual address, has explained how the Government borrowing increased, and repayment decreased the volume of bank credit, but Professor Cannan considers such doctrines "incredible" and that it is "unnecessary to argue against these absolutely groundless delusions which arise from a topsy-turvy conception of banking which has unfortunately become fashionable in recent years,"—the "moonshine" which has been quoted.

Mr. Keynes confines himself, therefore, in his comparatively short reply, to showing that stabilisation of credit is preferable to a fixed note issue.

"To fix note circulation by law is unsound, because



the same volume of note issue which is violently deflationary at one period of the credit cycle, may be violently inflationary at another . . . Wholesale price quotations are those at which contracts are being concluded for exchange of goods at a later date . . . thus there is an interval of three to six months before a change in wholesale prices produces the full effect on bank balance sheets, and a further interval before the demand for currency notes is affected. Thus, to allow prices and then credit to expand or contract until the effect is felt as a demand for more or less money in circulation, is to court disaster. By that time innumerable contracts will have been entered into which cannot be cancelled, and the volume of money in circulation can only be kept in check at the expense of bankrupting the business world, a course often followed in former days when Professor Cannan's doctrines still held the field."

### A Barnum of Science.\*

If for no other reason than that justice must be done to Antoine Béchamp, the recent publication\* of evidence supporting his long ignored claims is a timely one. But it is of greater importance that a slur on Science should be removed. That slur consists in the almost universal acceptance of the false claim that Pasteur and not Béchamp was the first (1) to reveal the facts about fermentation; (2) to provide the correct diagnosis of silk-worm diseases; and (3) to discover the cause of vinous fermentation.

The priority of discovery of these truths in biology is now clearly established in favour of Béchamp, who was a contemporary of Pasteur during last century. In this volume is collated the documentary proof which is familiar to those who have taken an esoteric interest in modern biology. Herein is abundant evidence garnered from the archives of the French Academy of Science, and the chronology alone is sufficient to damn for ever Pasteur's claims in all three cases.

Not only did Béchamp, who was six years the senior of Pasteur, discover the basic facts; but he had in some cases completed his investigations before Pasteur had begun his studies of the subject. The older scientist, moreover, was always careful not to announce the result of his researches until he had probed his evidence to the depths. The true scientist is he who invariably conducts his studies to the point wherein he gets the same result in say fifty different experiments carried out under as nearly as possible similar conditions, but who nevertheless keeps an open mind in case the fifty-first test disproves the rule.

Pasteur, on the other hand, had too much of the showman in his temperament to hide his light under the bushel of obscurity. He could work only in the limelight, so to speak. One has but to recall his setting forth, heralded by the newspapers like a "cinema-star" to-day, to begin his investigations on silk-worm diseases. Besides, it was his lifelong practice to announce his latest "discovery" before he had thoroughly tested it experimentally a sufficient number of times to warrant the accuracy of his claims. He had frequently to modify his promulgations on fundamental points previously and hastily made; and a small minority of his brother-scientists in the Academy soon discovered the unreliability of his assertions.

Pasteur never acknowledged the pioneer work done by his contemporary, Béchamp. Indeed, he had the effrontery—born of a secure position in the eyes of his countrymen—to steal the thunder of his great rival, who was the actual discoverer of the process of fermentation as being a function of assimilation and excretion on the part of living organisms. This plagiarism was instantly contested by Béchamp's fellow-member of the Academy, M. Fremy. The subsequent discussion

\* "Béchamp or Pasteur?" By E. Douglas Hume. (Simpkin, Marshall. 6s. net.)

became so heated that Pasteur, losing his temper, accused his more disinterested opponent of making himself the champion of German science. When a *savant* forgets himself to the extent of confusing a scientific issue with a question of mere nationality there is little use in continuing an argument with him.

It will naturally be wondered why Pasteur's reputation should have attained its pinnacle of world-wide greatness if it rests on such insecure foundations. The secret of his ascendancy in the scientific firmament will probably never be fully known; but the time-factor has proved at last that he was merely a meteor, and is not one of the fixed stars. In the face of the published evidence (of which this volume under review contains a considerable part) it is fair to assume that Pasteur's commercial instincts helped to render him famous. He may be said to have been the first professed scientist who applied advertising methods to his career. His natural genius for applying what is now called "scientific management" to his chemical business was perhaps the most scientific aspect of his work. He was the pioneer of a new trade; and must rank with Cagliostro, Mother Siegel, Morrison and the other renowned traders in specifics. The latest statistics on the output of sera and vaccines alone still show an enormous increase over the previously audited period; for there is no slump in the Pasteurian factories whatever there may be in the cotton industry.

This Barnum of Science was, moreover, the darling of Napoleon III, to whom he dedicated one of his books. The Emperor's patronage of him impelled the majority of *savants* to bow to Majesty's superior wisdom; and the average place-hunters who earned their living in Science diplomatically followed his august lead.

Thus basking in the sun of Imperial and "scientific" approval, Pasteur, like Simeon Stylites of old, found himself exalted on a pillar of self-righteousness, though the base of the column was eventually surrounded by the *disjecta membra* of his unassimilable scientific dogma. He so Pasteurised even himself against the theories of other scientists that he became almost immune to all but his own bowdlerised versions of the far-reaching discoveries of Béchamp. When we think of the magnanimity which prompted Wallace in his relations with Darwin we recognise at once the attitude of mind of the creative-scientist. Louis Pasteur being primarily a commercial-man and only secondarily a scientist, it was alien to the spirit of salesmanship which animated his whole life that he should acknowledge a greater than himself in Antoine Béchamp.

It is significant that the majority in the French Academy of Science supported by silence Pasteur's unfounded claims of priority, though that venerable institution actually held in its vaults the documents contributed some years previously by Béchamp. Long after the latter had revealed the truth about fermentations, for instance, Pasteur was only at the experimental stage of the subject. The Academy, it is interesting to remember, over a century previous to the Béchamp-Pasteur controversy, threw out Benjamin Franklin's papers on lightning-conductors. Newton was accused by Leibnitz of introducing occult qualities and miracles into philosophy, the law of gravity being deemed to be subversive of natural religion. Thus Science sometimes follows in the footsteps of Religion; and frequently turns its thumbs down against the pioneer whose chief offence often is that he is obscure and unpushful. Thus the Pasteurs triumph over the Béchamps—but only temporarily.

It was Pasteur himself who relegated all scientists for final judgment of his theories to the verdict of Time. That happens to be one of his few re-discoveries which has proved scientifically accurate; for there is now little doubt but that the claims of Pierra Jacques Antoine Béchamp over those of Louis Pasteur will at last be universally acknowledged; and a lost chapter be given its due place in the history of Biology.

SCOTT CURFEW.

### A Desert Family.

By H. R. Barbor.

THE golden morning burned over the waste of sand and rock. Only the most tentative and spasmodic of breezes touched the parched grasses, causing harsh, savage whispers to run about the scrub as the tough blades stirred one against another. For the rest, the silence of a desertful of exuberant sunlight was everywhere.

The Abyssinian wilderness was the innermost court of the sun, and the relentless dispenser of day was jealous of his possession. Here was no broad-chested winking river to rival his dominion; no peaceful, wide mere nor tempestuous cataract to contest his sway. Chill winds and tempering clouds never dared him here and the mile of rolling hillocks were naked to the intolerant ravage of the blazing celestial tyrant. Scarcely anything might live and propagate in such a spot. The dry-baked earth that varied the virgin rock gave sparing tribute only to the most indurated vegetation, gaunt, silicious grasses and spiny fat cacti. Bird and insect never stirred the tired air, and beasts avoided this inhospitable stretch of foothills where was neither shade nor sustenance, rest nor refreshment.

Yet in the midst of this solar territory there dwelt a family of four, a savage veteran, fierce-eyed and indomitable, his mate, proud of mien and lithe, and two cubs, knavish, somnolent and acquisitive by whimsical turns. They housed together in a deep cavity under a great stone that, with hundreds of fellows, marked the course of some homeric glacier, defunct these many aeons. To get into the dome-shaped cave itself it was necessary to pass through a narrow fissure in the rock, and this natural fortress served the lions admirably as an abiding place. It afforded protection and shade, and best and strongest of all, it held in its deep paunch the veritable secret of life, a tiny spring of cool sweet water. This subterranean freshlet dribbled persistently from the face of the rock at the extreme inside and depth of the cavern. It trickled into a small, water-worn depression whence it drained itself away as mysteriously as it came. Sometimes, at the torrid height of summer, this occult stream would be diminished to a mere exudation, and then the pool would dry, leaving only a damp cup of rock for promise. But usually it dripped cheerfully night and day, month by month and refreshed the tawny denizens, fierce habitants of this rocky lair. It was not an unmixed joy to the mother lion, this stream. She knew to maternal cost how it enticed the tiny venomous rock-snakes, and she was always casting searching glances about the smooth floor of the den lest one of these death-dealers should have intruded. The cub were foolish. Although they recognised with instinctive precocity the danger of these swift-gliding, reddish-brown worms, they were not eternally alert of ear, eye and crushing paw. Mother lion had seen a cub writhing and frothing after an encounter with one of these snakes. That was three seasons back, but she had not forgotten. This memory it was that dictated to her the prudence of making a tour of their abode when the first faint light waxed quickly within the cave, telling of a new day's coming. She thrust out her front paws, turning the curved grey blades of her claws against the rocky floor. Then she drew her forelegs back and raised herself with a sharp, clean movement on to all fours, and then she stretched her

back limbs luxuriously, swinging her fine tail over her flanks and reaching out her head. When she looked at her mate, it was to find his unwinking, sleepy stare fixed on her. She had awakened him. But he, seeing her unconcerned pleasure in the luxury of awakening her torpid thews, let the lids fall slowly over his yellow eyes once more and, with a faint sigh, languished again into somnolence.

So she stalked round the twilight cavern, snuffing at the stained patches that marked the overnight dining place of her family, and then she made for the entrance and passed into the fresh, golden morning without. The sun was not yet high, but its slanting rays told through her sleek coat, the tempered radiance steeping her pleasantly as she promenaded across the sandy waste. In a few minutes she swung into a lolling jog-trot that brought her quickly back to home, and as she neared the dark portal, she changed her gait to the seemly sedateness that became the mother of a family.

The cubs were awake when she entered the deep womb of the rock. They were rolling over one another, striking drolly at each other, biting in cumbersome playfulness. In their wallowing, the young male toppled against his sleeping sire, who jumped to wakefulness with a menacing snarl of pain. The abashed cubs forgot then to frisk, and wandered over to the tiny pool, while their irritated parent rose stiffly to his feet and limped a few paces towards his spouse. The greeting of the twain was vague but meaningful: an impassive mutual stare. Then the lioness's glance fell to his shoulder, on which, just where the shaggy deep brown mane ended, a straight red gash marked the passage of the bullet that had been sped to end his rapacious life. The bloody gap in his forequarter had stiffened during the night, and painfully he tried the leg now, setting his paw gingerly down, and raising it sharply as he went. Sinking on his belly, he turned the great head and played the rich crimson tongue carefully about that part of the wound which he could reach. But the farther end, where the bullet had turned, was not accessible, and his watchful mate came over and, crouching beside him, licked along the wound, at first solicitously, then, as the hurt flesh mollified under ministrations, more searchingly. Her long, rasping tongue moved faithfully and rhythmically the whole length of the injured tissue, making a faint burring that caught the attention of the chastened cubs. The lion gradually ceased from baring his teeth as the scarred flesh softened; instead of the fiery, mistrustful glare of pain, a bland expression dawned in his eye, changing slowly to languid voluptuousness. His blood moved vaguely in response to some awakened reminiscences of the emotions of spring and mating. He rolled on to his side, stretching his muscular legs tautly in front of him. Then, with housewifely reserve, the lioness made an end of her surgery; licked her chops; washed her face with zealous particularity.

While in the sun-blasted desert outside, the monstrous heat waxed to midday, in the close obscurity of the lair this family drowsed in well-fed content. The great King Lion was no longer in pain, but he carried grievance in mood and mien. Mate and cubs were wise enough not to give edge to the resentment of their irate champion. There was the menace of rough and sudden chastisement in the yellow, slow-roving eyes. At last one of the youngsters, bored with the enforced tranquillity, began to play with a strange toy, to roll about the floor the tattered, unrecognisable debris of a human head. The other cub was fain to join him again, and in a few moments, caution forgotten, the two were gleefully abandoned to rough play. The sire's eye grew hard and mother rose, brushed aside a half-emptied gum boot from her path, and, driving the cubs out before her, left her injured lord to drowse undisturbed in the sultry twilight den.



## Mannigfaltig.

## IV.

AN amusing example of French literary journalism from the feature entitled "Les livres qu'on lit . . . et ceux qu'on ne lit pas; par Céline Arnould, Jean Bouchary et Paul Dermée" in a recent issue of "Interventions," a monthly "gazette internationale des lettres et des arts modernes"! Reviewing Ivan Goll's "Les Cinq Continents: Anthologie mondiale de poésie contemporaine" (La Renaissance du livre), Bouchary says: "Nous, qui ici, bataillerons pour une esthétique nouvelle, sommes heureux de constater que, lentement, mais sûrement, une neuve conscience littéraire (his own italics) arrive à la vie et s'exprime. . . . Pour la France, Ivan Goll a pris Apollinaire, Cendrars, Romains, Max Jacob, Salmon, Valéry, Cocteau, Reverdy, Birot, Soupault, Beauvuin et . . . Ivan Goll. On s'étonne de trouver ici certains noms. Non que je conteste la valeur de ces écrivains, mais je trouve que leur productions sont éloignées de l'esprit qui présida à la composition de cette anthologie. Les écrivains modernes ne sont point si rares qu'il soit nécessaire d'aller recourir à eux. Céline Arnould, Picabia, Paul Dermée, Paul Morand, etc., eussent avantageusement remplacé certains d'entre eux. Et M. Ivan Goll, le tard-venue au modernisme, eût peut-être dû donner une preuve de goût et d'esprit critique en ne se citant pas."

Surely nothing could be more barefaced than that! "Save us from our friends" must be the most urgent prayer of all worth-while artists in every civilised country to-day; but few, if any, of them deserve to have their petition granted. Certainly not this Picabia who writes, in the same issue, "Nous parlions ballets russes tout à l'heure et cela me fait penser à la musique et m'incite à exprimer cette opinion: la musique est une architecture fondée sur des rapports mathématiques que l'homme de génie peut combiner, modifier à son gré; s'il n'y a pas de génie, les nouvelles combinaisons ou modifications sont absurdes. . . ." M. Picabia should certainly be listened to with respect on the subject of absurdity. He has the requisite lack of humour. Witness his story of the origin of Cubism (repeated over Hulme's grave it would afflict him with an intolerable suspicion that he was really somehow still alive despite his unaccountable predicament): "A l'atelier Cabanel, un jeune élève montrait à son maître sa dernière étude, Cabanel approuvait: "Bien, disait-il, le dessin est bon, le coloris fin, distingué, en valeur, mais vous devriez rectifier le tuyau de poêle qui se trouve dans le fond de votre tableau, il est tout de travers." Le jeune peintre arrête le maître et lui dit: "Ce n'est pas un tuyau de poêle, c'est le portrait d'une Italienne. . . ." "Interventions" is waging a sham fight for a non-existent "esthétique nouvelle," and M. Picabia, as a member of the Ordnance Company, apparently draws his ammunition from a bound volume of "Punch" for 1913. . . . Who was it who asked, "Why do they call it Punch, since that is precisely what it lacks?"

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Céline Arnould comes in for a lion's share of the boasting in this particular issue. A three-column article is devoted to her work by Gérard de Lacaze-Duthiers. I am desolated to find myself so completely out-of-date. I frankly confess that if I had been asked to name the most important of modern French poetesses I should have listed the Comtesse de Noailles, Gérard d'Houville, Lucie Delarue-Mardous, Marie Dauguet, Renée Vivien, Hélène Picard—and, amongst younger poetesses of indubitable importance, I should have mentioned Amy Sylvel. But this Céline Arnould? Her name would certainly not have occurred to me. Talk about Hamlet without the Prince of Denmark. But you can judge for yourselves how incompetent

to deal with contemporary French letters this confession shows me to be: "Céline Arnould, c'est de toute véritable Poésie, atteinte ses plus hauts sommets. Lyrique elle l'est dans toute son œuvre," begins this rhapsody. "On ne peut classer dans aucune école cette jeune poétesse: elle est en dehors de tout mouvement. Elle constitue à elle seule une école et un mouvement." And the article concludes: "Les critiques, d'abord incompréhensifs, puis étonnés, ne tarderont pas à être enthousiastes. Et finalement apparaîtra comme une figure légendaire à travers les claires-voies des palais de jade 'belle princesse dédorée'—oui, dédorée de toute vieilleries, de toute tradition—'jongleresse insolente'—princesse de poètes et des rêves—Céline Arnould!" It reminds me of the way certain Catholic journals used to write of the late Mrs. Meynell. It reminds me, too, that Fredegoude Shove found a place in the exclusive circle of the Georgian Poets. What a shove was there! I have heard a rumour that it is not unlikely that Ruth Pitter may secure inclusion too—but not in the next dozen volumes. After that, perhaps, if she is agreeable—but it is conceivable that by that time she may have acquired an ineradicable habit of confining herself to such obscure quarters as THE NEW AGE and "Marsyas" afford.

But, in so far as space permits, I must give my readers a taste of this lady's quality. Says Mr. Lacaze-Duthiers: "Quelle harmonie est dans ces vers:

"Des bras de fillettes  
restent suspendus  
au cou de la lumière."

"Au bord du matin  
comme au bord du ciel  
au bord de l'étang  
comme au bord du soleil  
éclatent la joie  
les appels  
les rires  
De chaque caillou  
s'élève une prière  
vers les douleurs bleues."

Ou encore:—

"L'extase des balançoires  
devant les cœurs en fête  
rend le clocher muet."

"Poésie purement lyrique, d'une surprenante spontanéité, riche en images intenses; en même temps que l'œil est conquis par la couleur, l'oreille goûte les douceurs d'une musique singulière. Les Poèmes à Claires-Voies (from which these gems are culled) rappellent Couperin, Lulli, Rameau, Bach. . . ."

\* \* \*  
"Littérature et littérature," as Denis Saurat says, "Il y a fagots et fagots." I must discuss my male list and the claims of Paul Dermée and others in a subsequent article. But I conclude this preliminary consideration of the condition of contemporary French literature, forced upon me by "Interventions" with a cold-water compress round my aching brows and an abomination of desolation in the pit of my stomach—a condition to which this extract from an article by the Comtesse de Noailles has inadvertently reduced me and from which I see no early hope of escape: "L'écho du chant de Wagner et due souffle de Shakespeare ne s'interrompant que pour faire place à la voix primordiale de la poésie grecque, voilà l'œuvre d'Elemir Bourges." The point here, of course (as in the case of a bee) is at the very end, for who is Elemir Bourges?

\* \* \*  
My plight reminds me of the Jew-boy's question: "Fader, where do dese Christians get all ze monish that we take from them?" The arrival of a review copy of Anatole France's "The Latin Genius" is but

another monstrous aggravation. French writers of absorbing interest have always been as the sands of the seashore for number. I am tortured with the certainty that I shall never know them all—a condition to which the fact that I have only just learned of Cécile Arnould fails to reconcile me.

C. M. GRIEVE.

## The Theatre.

By H. R. BARBOR.

## MUSICIANS AND MUSIC DRAMA.

WE English are a musical race. We adore musical comedy. Gertie Millar is not the only musical comedienne who has married a peer of the realm. And though Mrs. Hilton Phillipson has not evoked clamorous applause at Westminster, I have to learn that a quondam stage favourite of her sex has yet claimed a deputy's or senatorial seat in any other democratic country. Lately a Gilbert and Sullivan Society has been started with every prospect of popular success. You may hear "O sole mio" hummed or whistled as often in London Town as on the Venetian canals. "The (native) Beggar's Opera" came near to beating all records for a theatrical run lately. "The Immortal Hour," now mortal, at the Regent, has had such success as should warrant Mr. Barry Jackson's sure and certain hopes of an early resurrection for Rutland Boughton's work. But enough of these arguments, let it be affirmed again; we are a musical race.

We are also a dramatic people. We have produced the world's master dramatist. At two distinct periods of our cultural history, the Elizabethan age and the Restoration, we presented the world with a whole school of writers worthy to rank with the world's best. Our players past and contemporary have as lustrous a renown as those of any other country. Siddons, Edmund Kean, Vestris, Garrick, Irving, where are the players of yesteryear to the echo of whose name redounds a more potent acclaim? Has Europe to-day a comedienne of subtler and more intimate rapport with an audience than Miss Irene Vanbrugh? A tragedienne of more persuasive eloquence and deeper emotional insight than Mrs. Patrick Campbell? A romantic actor of more colourful and forceful personality than Mr. Matheson Lang? Of innovators, impresarios and the like we can boast a fair share. Mr. Gordon Craig's inventions come repeatedly back to us, as adopted by Germany and Austria and adapted from these intermediaries by American managers of more initiative and foresight than our own later-day theatrical magnates. Mr. Granville Barker's stagecraft compares only with that of the greatest European masters, Stanislavski, Rheinhardt, Copeau, und so weiter. William Poel, Basil Dean and C. B. Cochran are in widely differing fashion innovators whose efforts redound to the greater glory of the English theatre.

Yes, we are a music-loving and drama-loving race. But we are also an abominably reasonable race. Our tough rationalism has repulsed the onslaughts of crank millenists and revolutionists had to offer and sifting it through our commonsensible mentality have adopted it into our English synthesis. This is especially true in regard to religion and art. And being devoutly reasonable we demand congruity in convention. That is probably why we have never yet taken wholeheartedly to opera. For the simple truth of the matter is that, in the main, the productions of opera in this country have contained lamentably incongruous elements. And the reason, or unreason, of this incongruity is to be found in the musicians' domination of operatic presentation. Broadly considered the musician-mind is the blight of opera and until the dramaturgy of opera is revised and redressed from the tyranny of the

musician, there will be little chance of establishing this complex form high in Anglo-Saxon favour.

In general musicians, even those, so far as my experience goes, who are actively employed in the performance and representation of opera, regard the musical side of opera as the better half by about forty-five per cent. and the visual side as the worse, or five per cent., half. Many have confessed that opera or music-drama is at best a "bastard art-form." How rare indeed is the opera singer who shows the slightest appreciation of, not to mention ability in, the art of acting! Consider the utter damnable breach of all illusionary decorum nightly practised in the opera house by the pushing up of a boiled-shirted and dress-coated conductor between the audience and a stageful of Vikings, Bohemians, or Ancient Egyptians! "Tristan," as envisaged by the musician-producer, resembles more a fat-stock show than a sublime romance. "Butterfly" degenerates into an elephant-weight wrestling bout. Of course, the musician-mind, which grants the visual aid grudgingly as a concession to the unimaginative, may regard all this as a means of weaning the latter from a "bastard art-form" to the pure-bred art of the concert-hall. Yet this does not explain why many of the greatest composers have taken the trouble to gestate and bear these same bastards, maligned and mishandled by the smaller fry.

Wagner, for instance, did not share the musicianly contempt of the combined auditory and visual illusion. The giant of Bayreuth not only went to the trouble of renewing and evolving the musico-dramatic form; instituting the system of *durchcomponieren*; writing elaborate libretti; he carried out such researches into, and manipulations of, the mechanical technique of the stage itself in order to body forth his conceptions that he has placed the "legitimate" theatre proper, the film and the variety house (our London Coliseum, for example, with its revolving stage) under a perpetual debt to him. Æschylus, Shakespeare, Molière, Wagner, the four great innovators of the theatre: the last the most comprehensive of all. For a bastard? Hardly. He would rather have called music-drama the love-child of the arts.

That Continental nations have not carried forward Wagner's revolutionary theories and made opera credible (first and foremost by getting the conductor out of sight, and otherwise improving the liaison between sight and sound) is to be regretted. But we can only ascribe this failure to continue the evolution of music drama to the obsession with the merely musical side of the productions which is the inevitable result of leaving opera to directors almost exclusively musical.

What our opera-houses need is the co-operation of practical men of the theatre in operatic presentation. Opera and music-drama have a great popular appeal attendant upon effectively mounted works. Sir Thomas Beecham showed us, in his choice of Mr. Allinson's set for the second act of "Tristan" and in another work putting the singers off the stage and leaving the miming of the opera to trained actors, that his was not merely musician-mind. The British National Opera Company, with the simplified settings designed by Mr. Oliver Bernard, struck a new and intelligent note in Wagnerian presentation. But the evolution of opera must go on. Perhaps the appointment of a man of the imaginative versatility and practical experience of Mr. Frederick Austin as intendant of the B.N.O.C. is destined to mark a mutation in this evolution. At any rate it is certain that to obtain its proper hold on the imagination of the man in the street and of his wife, opera must be freed of the devastating tyranny of the musical academe. Let us call in Nigel Playfair as dramaturgist-adviser in the production of Mozart, and Robert Atkins for Wagner.

Holman Clark, Basil Dean, Frank Vernon, these are among the producers whose varied gifts should be



employed to enhance the conviction and appeal of this form. In the hands of the myopic conservatives who have handled it so far, opera will always be a chaotic agglomeration of incongruities, a bastard art-form in good sooth—when not a monster.

## Reviews.

**The People's Corporation.** By King C. Gillette. (Boni and Liveright. \$2.00 net.)

If there had been any lingering doubt that orthodox socialism was Capitalism's Next Step, it would have been finally dispelled by this book. Mr. Gillette is described as "a man of affairs and executive of first importance in the industrial world, who has a passion for social justice." Like every other sufferer from this complaint he convicts the leisured class with greed and calculated injustice and honours the labouring poor as the saints of God. The acquisitive impulse must be eradicated, private property and profits must be abolished, and everything co-ordinated in a huge social trust "owned and controlled by the people" in which "each individual will be a unit part of the Corporation and will adjust himself to its working. There will be no positions secured by votes cast by ignorant persons" and "education will be the moulding of useful members of our commonwealth." The moulding process will be rather difficult judging by the specification of the castings. "Each man can secure the needs of life only by working"—"the food experts will decide what quantity and quality were desirable for individuals"—"everybody will have a food ticket"—"individual homes will be abolished" people will be herded together in splendid prisons ("a prize will be offered for the best architectural plan") which will be situated in "only three or four cities of great size." Under such conditions "this is mine," will pass from man's vocabulary" and "when property and control of industry become a common possession" production "will be operated to meet the pay-roll."

Oh Rebels! just think of 235 pages of this sort of thing all argued out with your choicest phrases copied from Communist, Guild Socialist, Collectivist, Co-operative and Jew bankers' publications. Such a harvest from such a sowing!

So much for the specification; now the plan. To obtain ownership and contro-o-o-l little individuals will organise into little committees, which will apply for affiliation to district committees (specimen form on page 218), which will be affiliated, federated and amalgamated, etc., etc., horizontally, vertically, sinusoidally, and finally represented on the Peoples' Corporate Congress. There's Democracy and Freedom for you! "All property and wealth of the world shall be acquired by purchase"—"and no individual shall own or possess anything of value other than personal effects and credits of labour units with the Corporation." The author is convinced that this prospect is so delectable that it will induce tiny individuals to subscribe their tiny savings to their tiny committees, add them together at the next committee stage, multiply, raise to the nth power through all the other stages and finally lose sight of them in the general fund of the Peoples' Corporate Congress which shall "purchase industrial securities at their market offerings." "Thereafter the Government shall take over the securities purchased by the Corporation and issue in payment therefor Industrial Notes, legal tender, such notes to be on a parity with gold notes." "This increase of the circulating medium cannot affect a nation's credit adversely so long as it is issued against a security and backed by the nation's credit." "Finally," when the people have acquired all industry, etc., the final and only outstanding liability will be the "industrial notes" held by the individuals who formerly possessed property; but "as these notes have

no income value, but are legal tender they will pass from such individuals (by purchase) to the treasury of the people."

Well! Well!! Well!!! "The Protocol of the Elders of Zion" was at least clever.

This book can be strongly recommended to the business and bosoms of the crusaders for new industrial ethics. Nobody else would read it!

**Henry Lamb.** Contemporary British Artists. (Benn. 8s. 6d. net.)

**Stanley Spencer.** Contemporary British Artists. (Benn. 8s. 6d. net.)

**Charles Holmes.** Contemporary British Artists. (Benn. 8s. 6d. net.)

To this useful series of monographs of "Contemporary British Artists" have now been added these three volumes. Under the general editorship of Albert Rutherston these courageous publishers have previously issued eight other works in the same series. The three volumes now under review each contain 35 plates in half-tone arranged consecutively in the order of the execution of the originals. Thus it is possible to follow methodically the development of the art of the several executants in a way that is not otherwise so readily accomplished. While it would be easy to instigate a comparison of the work of these three contemporary artists as regards their respective aesthetics, the result would be unprofitable. For in the absence of the colour of the original paintings no just comparison can be made. Those who appreciate the artistic achievements of any of these painters have now an opportunity of possessing in handy size an excellent volume of reproductions of their most representative work. The volumes in this series of monographs are in a form that should be permanently satisfying, for the paper, the lettering and the binding are alike pleasant to the senses.

**The Martyred Nation.** By Alex. Devine. (Chapman and Hall, 1924. 1s. net.)

"The martyred nation"! In these days one must sadly ask: "Which of them? Ireland? Belgium? Russia? Austria? Hungary? Germany? Serbia?" None of these, but, Montenegro, is the subject of this booklet. In 1915, we read, Great Britain guaranteed the future existence of Montenegro, and confirmed this in 1917 and 1919. In 1920 the British Government withdrew its diplomatic representative to Montenegro, accepting the forcible annexation by Serbia as the settlement of the Montenegrin question. And when we learn that, according to the Serbian Government, "Montenegro is pacified," we are not surprised to read further that "The prisons are full of Montenegrins, men, women, and children; but those able to do so have fled to the mountains; that thousands of houses have been burnt by the Serbian soldiers; thousands of lives of men, women and children have been sacrificed to the fury of the invader;"\* and that as recently as January this year heavy fighting continued. But "Montenegro is pacified"! "What worse fate could have befallen the country," asked Lord Gladstone in the House of Lords, "if, instead of being an ally from the first, she had fought against us in the enemy camp?"

But Montenegro, which for centuries has fought for freedom, is still fighting. And she looks with hope to Croatia, which, like Montenegro, and indeed all Jugoslavia, is held by Serbia in military grip. Now Serbia owes Great Britain £27,000,000. Instead of paying this, or even the interest on it, Serbia has spent vast sums on building up an army, now the second largest in Europe. Again, France owes Great Britain £1,250,000,000. Instead of paying this or even the interest on it, France has lent Serbia 300,000,000 francs on condition that the money is spent on armaments made in France. So that Montenegro is being

\* (To this the author adds—by way of climax?—that all the King's carpets have been stolen!)

crushed by means of money which really belongs to Great Britain, and indirectly Great Britain is responsible.

Hence our author looks with hope to the "moral and economic influence" of Great Britain upon France. Does he know in whose hands rests the economic influence of Great Britain? If he does, he may well ask himself: "If the influence is moral, will it be economic; if it is economic, will it be moral?"

It is fair to add, in justice to Serbia, that Mr. Devine makes no profession of impartiality; he writes frankly as a person with a grievance against the Serbs, saying that they have kept from him the grandchildren of King Nicolas, whom the King had bequeathed to his care. Further, Mr. Devine makes little attempt to prove his statements. He quotes a description (not apparently by an eye-witness) of terrible torture inflicted by Serbs, and adds: "If it did not come from the pen of a British officer, this statement would be hardly credible."

Surely "patriotism" consists in believing about your country that which you know is not true! Here is a profession which finds in fraud one of its most potent weapons and assiduously trains its members therein while at the same time our army must have in its service no officer who cannot be set before the rest of the community as a model of the highest probity!

The presentation of the case for Montenegro would be greatly strengthened if the material were better arranged, irrelevancies omitted, anti-climax avoided, and if italics were not allowed by incessant shouting to deafen all ears to their appeal. But, after all, if Montenegro is not very fortunate in her advocate, that is one more reason why every lover of freedom should give a sympathetic hearing to the little country which "cannot even afford a printing-press."

**The Square Egg.** By H. H. Munro ("Saki.") (Bodley Head. 7s. 6d.)

Admirers of the epigrammatic and lightly satirical manner, the flair for comic character and situation, and the journalistic versatility of the late H. M. Munro, will welcome these fragments gathered from various sources into one volume. One-third of the book consists of a biography of Saki, by his sister, and though, as often in such memorial works, devotion and good intentions must gloss over for the reader a considerable crudity of literary quality, yet it presents with undoubted vividness persons and scenes which greatly influenced the young days of the Munros. It contains, moreover, many letters from the brother to his sister, and these are perhaps the best part of the whole book. Some of the sketches included in the volume are almost too slight to justify reprinting. The most ambitious and amusing, a comedy called "The Watched Pot," is naively built on a framework of witty conversation, and unconsciously illustrates both the failings and failures of the writer. That an interval of more than seven years should have been allowed to elapse between Saki's death as a soldier in France and this publication, seems inexplicable, but it may serve a purpose if it renews a fading memory of one whose work, ephemeral as it was, gave pleasure to many.

## LETTERS TO THE EDITOR.

### The Single Tax.

SIR,—In your footnote to my letter which you kindly published in your issue of April 24th, you point out that Single Taxers must show that the aggregate saving, effected by forcing landowners to disgorge land at reasonable prices, would be spread over the community in the form of increased purchasing-power. This is true. An increase of purchasing power in the hands of consumers is involved in anything that is to prove a real remedy for our economic ills. And

such an increase can only occur through a fall of prices, or a rise of wages, or both.

A Tax on Land-Duties is equivalent to taking part of the rent of land from the present receivers, who as such are non-producers. Since producers already pay rent, the tax on land-values is no extra cost to them, while the reduction of other taxation enabled would necessarily lessen their costs. Competition would inevitably lead to a transfer of the reduction in costs to the consumers through a fall in prices.

This would mean an increased purchasing-power in the hands of the consumers, who could buy more goods with their money than previously. The demand for more goods would of course stimulate production, and lessen unemployment.

The Tax on Land-Values would also have further beneficial effects. Falling as heavily on the owners of land which is at present held from use or from best use, as on the owners of similar land fully used, it would compel the former to let their land in order to obtain the wherewithal to pay the tax. The increased supply of land offered for rent would cause a fall in land rents.

This would mean lower costs in the production of raw materials, which would in turn further lower prices, further increase purchasing-power, and so further stimulate production and lessen unemployment by the increased demand for labour. The increased demand for labour would in turn lead to an increase of wages.

Thus the requisite to benefit the condition which is existing—increased purchasing power through lower prices and higher wages—would be the result of the Taxation of Land Values. And the maximum effect would be reached when the entire rent of land was taken as a Single Tax, all other taxation having been abolished.

I cannot see that your correspondent "A" has answered my last letter. I can give him a thousand facts such as the Assouan Dam example, to show how landowners ultimately absorb the benefits of increased industrial capacity by raising their rents. And by the italicised word I mean as soon as existing leases expire.

F. R. JONES,  
Secretary, Liverpool League for  
the Taxation of Land Values.

### THE WHIP.

BY PHILIP T. KENWAY.

The Democrats of Queensland,  
Where Labour is in power,  
Proclaimed their independence  
Each month and day and hour.

But once they're "up against it,"  
The Power of Finance,  
They tamely knuckle under:  
They haven't got a chance!

'Tis but an illustration  
Of how all nations cower  
In fear of castigation  
Before the Money Power.

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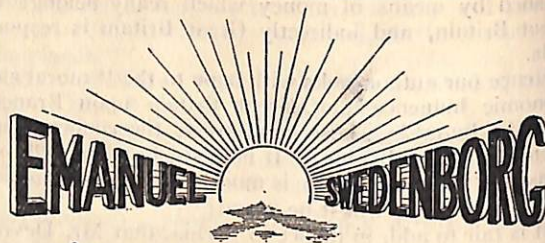
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 \* No group yet formed, but correspondence invited.  
 Acting Secretary of the Central (London) Committee:  
 ARTHUR BRENTON, 70, HIGH HOLBORN, W.C.1.

- SOUTH AFRICA.—A. Stedman, Hon. Sec., South Africa Social Credit Movement, P.O. Box 37, Johannesburg.  
 UNITED STATES OF AMERICA.—H. B. Brougham, Century Club, 7, West Forty-third Street, New York (lately connected with "The Credit Crusade," in the United States). would like to hear from members of the Movement on this side at any time.  
 CANADA.—The United Farmers of Alberta, of Longheed Building, Calgary, Alberta, are willing to accept subscriptions for THE NEW AGE, and may sometimes be able to put inquirers into touch with people interested in the Social Credit Proposals. In this last connection the Editor of the Ottawa "Citizen," Ottawa, would doubtless advise correspondents.

### DIRECTORY

- Names and addresses of Social Credit Advocates or Adherents who are willing to (\*) answer queries on the subject or who would be pleased to (†) exchange views with others similarly interested. (This list is supplementary to that of the local Secretaries of the Movement given on this page.)  
 \* DOUGLAS, Major C. H., 8, Fig Tree-court, Temple, E.C. 4.  
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