

THE NEW AGE

INCORPORATING "CREDIT POWER"

A WEEKLY REVIEW OF POLITICS, LITERATURE, AND ART.

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NOTES OF THE WEEK.

THE Sheffield Board of Guardians has no money in hand. Nothing can come from the rates until the middle of August. Its bank refuses to advance it another penny. It cannot raise further loans without the consent of the Ministry of Health. And the Ministry of Health declines that consent unless the Guardians take immediate steps to reduce the scale of relief by amounts which will show a saving of £20,000 in their half-yearly expenditure. Accordingly the Board was recently obliged to adopt a new scale. The present one allows, for example, £2 2s. a week to a man, his wife, and six children. The new one reduces such sum to £1 18s. Quite rightly, the Labour group of Guardians hotly resisted this change, and compelled a division on each item of the new scale. But it is a pity that they brought in charges of moral obliquity against their opponents. This was an especially bad tactic, inasmuch as it was quite clear at the commencement that the issue was not one between a higher or lower scale of relief, but between the lower scale and no relief at all; and that issue was dictated, not by a non-Socialist clique of Guardians, but piquantly enough, by a Minister in a Socialist Government. While the Labour Guardians were threatening to publish in the next electoral campaign the names of those of their fellow members who voted for the low scale, they must have been aware how plausible and damaging would be the counter-attack which they would invite if they did so. Perhaps the uneasy realisation of this fact was one of the causes of their outburst of personal reprobation.

Let us look at the position as narrated by Mr. J. W. Flint, the Chairman, who moved the adoption of the minutes of the Emergency Committee containing the new scale. We quote from the *Sheffield Daily Telegraph's* report:—

Summarising the financial position, Mr. Flint said that from March 31, 1921, to March 31 of the present year, the total amount spent in relief on the unemployed in the Sheffield Union was £1,693,202. That, of course, did not include the expenditure in the Ecclesall Union. It was a very staggering total. Of that sum, the total raised from the poor rate was £895,202 for the Sheffield Union. At the present moment the total debt incurred—money borrowed on loan—for the relief of the unemployed was £798,000. The estimate of expenditure for the present half-year was

£371,000, and that was after they had cut it down as far as they possibly could. They were left with a deficiency of £168,840, which they hoped to borrow, and that was the crux of the whole difficulty. They proposed to borrow this sum from the Government, and that was where they were faced with an impasse, because the Ministry said that unless they were satisfied that the Board would do certain things they would not advance the money that was required. A rate of 3s. in the £ for this half-year was held to be the limit which the ratepayers could pay, but if the Board raised the rate to the total amount they wanted, it would be 5s. 4d. in the pound.

We have had frequent communications with the bank, and only last Friday the bank took a step which they have not taken before. They sent a request from their headquarters in London requesting Mr. Booker (the clerk) to proceed to London for an interview, and to accompany a number of the directors to the Ministry of Health. They said that unless they were further satisfied, and had some assurance that the Board is doing as requested to do by the Ministry, they would not advance them another penny. Mr. Booker went up to London, had an interview at the bank, and went to the Ministry of Health. Very reluctantly, after the interview, the bank sent a communication that they would provide the money for to-day, but on no account would they provide a penny more unless they were satisfied that we were trying to comply with the conditions laid down by the Ministry of Health.

Only this morning we had a further communication from the bank to the same effect—that they would not advance another penny. We have had frequent communications from the Ministry asking us what decision we had arrived at, and why we did not come to some decision on the various matters they have placed before us. We have tried to satisfy them we were proceeding as quickly as we could in dealing with the matter. It was only on those grounds that we have been able to proceed at all. I am satisfied from the facts which I have stated to you, and from other facts, that we cannot postpone consideration of this matter any further.

We have made these extended quotations because the facts they contain are typical of the situation all over the country, and because Sheffield's crisis is one which sooner or later will befall Poor Law administrators everywhere if Sheffield does not lead the revolt, which is so long overdue, against the impossible exactions of the credit system. In the debate in question there was an amendment to Mr. Flint's motion:—

Mr. G. H. Fletcher moved an amendment that they inform the Ministry that the present scale of relief for able-bodied unemployed men was not more than adequate, and that they request the Ministry to receive a deputation from the Board in order that further representation might be

made as to the financial difficulty. He also included in his amendment the request that the references to the alteration of the scale of relief be held over for consideration by a specially convened meeting to be held immediately such deputation was able to report. Mr. Fletcher suggested that this deputation should see the Minister of Health and not the permanent officials of the department. Up to now they had only seen the officials. This postponement would strengthen the hands of the deputation appointed to represent the whole of the Labour movement in Sheffield in an interview with the Ministry. As a result of bearing a burden that should have been a national responsibility, they found themselves in a position of absolute bankruptcy.

The time had come, he said, when the Sheffield Guardians should refuse to function unless they had some financial assistance from the Ministry of Health. They should tell the Ministry quite frankly that because of the financial obstacles and difficulties placed in their way, as an administrative body they were unable to function. "Let the Ministry take over the administration of the poor in Sheffield," he said, "and see if they can do it better than we have done it." He suggested that not only the unemployed but the whole of the citizens of Sheffield would support them in such action.

As the amendment was lost (by a narrow majority) there will not be a deputation from the Guardians, but one will come up to Westminster from the Labour movement in Sheffield. The proceedings ought to be enlightening, for the Minister of Health, there is no doubt at all, is himself as fully in sympathy with the object of the deputation as any member of the Cabinet. But the point is not what he would like to do, but what he has the power to do. The *Sheffield Daily Telegraph* comments:—

A deputation representing the Trades and Labour Council is to wait on the Minister of Health to discuss unemployment in Sheffield, and especially the Ministry's recent edict that the expenditure of the Sheffield Board of Guardians must be reduced by £20,000. They want to preserve the existing scale, though what use any scale is when there is no money to meet it one hardly knows. There seems to be an impression among the Socialists that the Minister of Health himself knows nothing about the order for reduction, and that it is the work of permanent officials. But that is nonsense except under the supposition that the Minister is a complete nonentity and does not know what his Department is doing.

It proceeds to summarise the facts already given:—

This, after all, is only another phase of Sheffield's overwhelming unemployment problem. The city has appealed to successive Governments for help, and has been peremptorily refused by all of them. The present Socialist Government is in that respect no worse than its Conservative and Coalition predecessors. Here is the record of the Sheffield Board of Guardians for the three years March, 1921, to March, 1924:—

Total expenditure	£	1,693,202
From Poor Rate	...	895,202
Borrowed	...	798,000
Owing to the bank	...	328,000
Nor does the current half-year suggest much improvement. The position stands:—		
Total estimates	£	371,000
Rates	...	202,000
Deficit	...	169,000

and gives its moral support to the Labour deputation in the following terms:—

It is a gross scandal that Sheffield should have been left to carry this burden without a penny of help from outside. We hope the deputation from the Trades and Labour Council will rub that in vigorously.

There is plenty else that the Deputation can "rub in." It can reasonably point out that to deprive the

unemployed of money to the total of £40,000 in a year will be to produce as much unrest in Sheffield as though one made a present of that sum to the Communist Party of Great Britain. It can show that this unrest will not be confined to the unemployed themselves (and that would be dangerous enough by itself), but that the effect of the new scale will be to cut off £40,000 per year from the revenue of Sheffield's tradesmen. There seems to be an idea about that "dole-money" is taken home and eaten! Nobody seems to realise that the spending of this money has the same effect as though the Guardians themselves ordered £40,000 worth of goods a year from the Sheffield shops and then divided them up among the unemployed. One must presume that local trade of these dimensions carries with it a certain amount of local employment, and that if it be lost, some more people will get the sack and come on the dole. It is a curious position. Here is Sheffield with an unemployment problem arising, as everyone agrees, from bad trade. Yet the action of the Ministry of Health is going to lead to worse trade. Is it not obvious that the true remedy is in the direction of increasing, not decreasing, the quantity of money spent in Sheffield? Naturally, if that were done, the immediate financial consequence would be a larger debt; and, under our present system, somebody or other would have to repay it, together with interest on it. And that, incidentally, makes the *Sheffield Daily Telegraph's* advice to the Labour deputation inept. It may be "a gross scandal that Sheffield should have been left to carry this burden without a penny of help from outside"—but what is meant by "outside"? Other people's pockets, we suppose. But where in the country are there any summits of surplus cash that can be lopped off to level up the penurious valley of Sheffield? Are not the gutters of the whole United Kingdom being searched for these fiduciary fag-ends which men call Money?

There arises another question. The Deputation, having formulated its case, will take it to the Minister of Health. But why bother him? The problem is one affecting municipal debt. Municipal debt involves the wider problem of the national credit. And who is the steward of the mysteries of credit? Not Mr. Wheatley, but Mr. Snowden. The Deputation ought to go to him. It could recall to the Chancellor of the Exchequer the passage in his speech at the annual dinner of the British Bankers' Association, where he said: "... there is no class in the community who would suffer... more speedily by the weakening of national credit than the great working classes of the community whom we claim to especially represent..." and suggest to him that if his policy of strengthening the national credit is going to involve a restriction of the money circulating in Sheffield, and, by implication, all other municipal areas in the country, the suffering of his favourite proletarian protégés looks like developing more speed than by any other conceivable policy. The Deputation could quote in support of their case Mrs. Snowden's public defence of Labour's expenditure of money on Court costumes and other items of wealth display, namely that it served "the purpose of supplying a certain amount of work." What then is this occult principle which can make £40,000 worth of pomp in London shapely, and £40,000 worth of pudding in Sheffield all awry? "What! did the Hand then of the Potter shake?"

Mrs. Snowden is a healthier economist than her husband. She likes to put her leg into a silk stocking. Somebody else likes to put his back into making the stocking. Some other person likes to set his hand to weaving the silk. And at the back of it all there is a willing worm which turns out the silk. Very Good.

Now, Mrs. Snowden, being a conscientious woman, is not content to wear these stockings merely because of the clean feel of silk. That would be selfish. No, she wishes also to satisfy herself that she, after the manner of Spurgeon with his tobacco, wears them to the glory of the "great working classes." So, with her woman's speedy intuition, she sees that some people can climb towards prosperity by the ladders in her stockings, and realises the truth of the doctrine that *consumption is the cause of production*. She does not commit herself to the public expression of such a bald generalisation as this; but that does not matter; that is where she has arrived. Our congratulatory husband that when unemployed John Cipher, of Sheffield, Mrs. Cipher, and their six children proceed to bestow their weekly patronage of 42s. on the surrounding tradespeople they, too, are "supplying a certain amount of work," and that if, as is now to happen, they receive only 38s.—that is, if their old 4s. margin for ostentation is to be taken from them—they will have to lessen their contribution towards solving the unemployment problem! Now, there are a vociferous lot of people who will say that it is just because money is spent on ostentation at the top that money cannot be spent on necessities at the bottom. They would have Mrs. Snowden condescend to cotton hose, in the belief that her discomfort is necessary to the comfort of the Ciphers. But why this idea of rationing comfort? Is there not an ocean of potential comfort stored up in the brains and muscle of the million Ciphers, and only waiting for financial experts to distill us in so many words that this is impossible. Their argument takes something of this form: Money is a claim on goods. Yes, we grant that. The cost of creating this money is negligible—only the cost of the paper and ink. Agreed. But the snag is here: say you can buy 1,000 chairs, but you want to buy 2,000. It is quite easy to say "Print 1,000 more paper claims for one chair apiece," but it is not so easy to bring the 1,000 extra chairs into the market. Why not? Why because if we hand out the claims they will all be taken from you in exchange for the 1,000 chairs now existing. Each chair will be priced at the rate of two claims for one chair. That is what we mean by "inflation." Can this be avoided? No, it always happens: look at Germany! That is as far as the financier takes it. That will be the ultimate reply which the Labour deputation will get from him if it presses its claim persistently enough to force it out. And if it cannot make the counter-assertion that there is a method of financing and costing production which will enable the nation to escape this dilemma, it may as well stay in Sheffield for any good it will get by interviewing Ministers of State. On the other hand, it can find in any recent issue of THE NEW AGE two addresses in that city where the missing method may be communicated free of charge; and not only that, but the gentlemen concerned would doubtless be only too willing to be co-opted into the deputation and to travel to Westminster at their own expense.

Whether this is done or not, the problem of the Guardians remains to be solved. If no satisfaction can be obtained by arguing up above, it will have to be sought by a revolt down below. We are not in favour of those courses of action generally connoted by the term "revolt," because, as a rule, they would lead nowhere even if completely successful. Wage strikes, for instance. These solve no problems. They simply remind the public of the existence of the problems. We do not deny them all usefulness, for while our ruling authorities work on the trial and error principle, the dry bearing has to show signs of overheating before it can be lubricated. Nevertheless, if the lubricating material for this purpose has to be taken from the feed of some other bearing in the same machine it is surely clear that overheating, as such, will not be

allayed. Revolt, then, to have any effect, must be accompanied by a clear sight of what it is desired to accomplish, and the reasonable expectation that, when once accomplished, it will not provoke a counter-revolt. It must stand for so wide a body of interests that its success will be a victory for, not *some* people, but *the* people, a victory, moreover, whose fruits will appear *at once*. There must be a first dividend immediately upon the inauguration of the new system. The people must be able to say, "Here we are," not "Where are we?" Now, no remedy before the Social Credit theorem was announced showed the slightest measure of approach to fulfilling these conditions. Like Fafner in "The Niebelungs' Ring," the revolters had no prospect before them of retaining the treasure they ravished except by turning themselves into dragons and living in a cave with it. A mere change from imprisonment to self-imprisonment. Their "freedom" meant "Every man his own warder!"

Mr. G. H. Fletcher's suggestion to the Sheffield Guardians was that they should "refuse to function" unless they had some financial assistance from the Ministry of Health. "Let the Ministry take over the administration of the poor in Sheffield, and see if they can do it better than we have done it." Here is a suggestion that could be supported by Sheffield as a whole, for the object of the pressure is to secure more money for Sheffield. It could be supported by the Guardians because, as it is, they have to bear all the shock of external policy without any recompense. They have to be the instruments of a starvation policy. They have to stand face to face with the starvation, and, what is more, to accept, however unfairly, the responsibility for it. It is surely enough for them to administer and allocate relief without having to chase round to the banks and be catechised and bullied as though they themselves were candidates for a dole. We wonder at their patience hitherto. Of course, their reluctance to strike is understandable; they know that relief must be extended from day to day, and that if they threw up their jobs the "great working classes" would speedily suffer. Yet the time is over-ripe for some such demonstration on the part of a local community. The strike would not be protracted. Meanwhile some means of feeding the poor could be devised other than by the employment of bank credit. There is, at least, enough "real credit" in Sheffield—the Trade Unions, the Co-operative Society, the tradesmen, and even some of the manufacturers—to support a temporary provision of "relief money" by the Guardians themselves. Rightly organised, the emission of the Guardians' paper money under a guarantee to honour it in August should be practicable, especially if that guarantee were underwritten by the retailing and other interests directly threatened by the proposed reduction of £40,000 worth of trade a year. The Guardians are normally dispensers of a great number of orders, and are, therefore, in a position to secure the co-operation of local contractors in this emergency on business grounds as well as public. But these and other considerations must be appraised on the spot, and not in these Notes. There should be called together a committee on the widest basis to investigate the possibilities of a temporary system of short-circuited co-operation on a local emergency currency. With such a committee in existence—and even before it took any action—the arguments of the proposed deputation would acquire some armour-piercing properties which they now lack. Not only could a properly-instructed deputation contradict by appeals to sound economics the assertions of the Ministry of Health (assertions, of course, emanating from the Treasury, and ultimately from the financial interests), but it could hint that the longer Sheffield was denied satisfaction the more deeply would Sheffield be probing the possibilities of communal finance. It is true that no local community could by itself indefinitely function on its own finance and dispense with the banking

system, but that is not the objective. What would be the force of their attempting it, or even only investigating it, would be the rapid incidental dissemination of information on that closely-guarded secret of the financiers, the real basis, nature, and function of those pieces of paper by the manipulation of which they keep a whole people queuing up in the frost of repressed initiative awaiting some outdoor relief to make their idleness tolerable. Come, is Sheffield bereft of Audacity?

The Dominion of the Dollar.

By C. P. Isaac

(Author of "The Menace of Money Power").

COLONISATION and conquest have, in the past, been the outstanding means of achieving empire over the world's surface. The Wembley Exhibition testifies to the success of the British race in both spheres. The creed of the British commercial mind found expression, years ago, in the terse saying "Trade follows the flag." Wembley may prove to be the swansong of this creed. Slowly we are grasping the essential fact that trade is not the dominant factor in economic development. Finance has relegated commerce to a secondary position. Finance follows no flag; it transcends national control and leads the van of international conquest.

The economic creed of the future will be a creed of finance, not of commerce. Already this new creed is gathering force. Across the Atlantic the first people to escape from the British flag is growing to the fulness of its strength. Its guiding motive will be of paramount importance in future world movements. That motive is becoming clearly defined—no longer merely as the aim of the individual members of the community, but as the collective inspiration of a people. It is the cult of the dollar. Lest we should err in our understanding of this new national creed, let us view it, not with the preconceptions of a British mind, but through the eyes of the critics within its own stronghold.

The growing effect of this creed upon the conduct of American foreign affairs has brought the issue into prominence. Last March American marines landed in Honduras to protect the lives of American citizens during a revolutionary outbreak. In a debate in Congress ensuing upon this event, Senator Borah urged that the policy pursued for the last decade in Central America had gone much further than merely protecting the lives and property of Americans. In the official record of the debate in the Congressional Record he is reported as saying, "We are establishing over the Central American countries the dominance of the United States. Our action in Nicaragua resulted in practically destroying the sovereignty of Nicaragua. We practically named as the President of the country a clerk of a Pittsburgh corporation, and have kept him there. The fight in Mexico for the last ten or twelve years has been a fight between individual oil interests, organising revolutions and supplying the means by which these insurrections should be carried out."

Senator Shipstead attacked the cult of the dollar in terms of wider import. "I do not like," he said, "the idea that has been so often reiterated that the American flag follows the dollar, because that implies that the dollar controls the flag, that the owner of the dollar will then control our foreign policy. The American flag has followed the dollar into Haiti, Santo Domingo, Salvador, Honduras, Mexico, and France. Forty billions of those American dollars were spent with reckless abandon on an experiment called 'a war to end war,' 'a war to end militarism.' After the war was over we were told that, the day we went into the war the British Government had overdrawn its bank account with Morgan to the

amount of \$400,000,000; a few days after we entered the war this amount was taken out of the Federal Treasury and deposited in the bank of Pierpont Morgan. How much more paper of foreign governments was field in the banks and trust companies affiliated with the Morgan group at the time we have not been informed. I believe it is reasonable to assume that so many American dollars had found their way to the European battlefield in the shape of war contracts that about 40,000,000,000 dollars, four million men, and the American flag had to be sent over to protect them. The voice of humanity is clamouring for peace, but can have no peace, because those who control their governments do not want peace. They want oil wells, coal mines, iron mines, and interest on bonds. So they are getting ready for another war in order to 'save the white man's civilisation.' Shall America, through the loans of its bankers, be again drawn into this maelstrom of destruction that will make another shambles of God's green earth? Are American statesmen going to continue to be pawns in the hands of its financiers and foreign diplomats? If we do, we shall have to pay the price. We shall pay the price that European governments and peoples are paying now."

Senator Shipstead unfortunately speaks for but few of his countrymen. The real mind of America is shown in the great acclamation that lauded the Morgan pool's colossal manipulation of French francs, that called this move towards dollar supremacy a sign of Morgan's great international patriotism, that regards sterling but as one of the debased currencies of Europe, and sees in Lombard Street merely a financial stronghold that must be subjugated to Wall Street, as Paris and Berlin are to be subjugated. The American mind is rapidly becoming impressed with the creed of the dominion of the dollar.

Notices of Meetings.

The Hampstead Group of the Social Credit are holding an open meeting to-night (Thursday, June 19) at 1 Holly Hill, Hampstead, when Mr. Arthur Brenton and Mr. Hilderic Cousens will give short addresses, both explanatory of the Douglas Credit Theorem. Commence at 8 o'clock.

On Monday, June 23, a meeting of the Central London Group will be held at 6 o'clock at the offices of THE NEW AGE, 70 High Holborn, W.C.1, when there will be a discussion of points arising out of the Douglas Credit Theorem. Enquirers are cordially invited to attend. Questions and objections answered.

"When the Rudyards cease from Kipling,
And the Haggards Ride no more."
("Lapsus Calami by J.K.S." Cambridge Review, Feb., 1891.)

If you can keep your cash when all about you
Are losing theirs and blaming it on you;
If your bank trusts you still when all men doubt you,
And adds increased accommodation, too;
If you can bluff and not be done by bluffing
Or being swindled never blink your eyes;
Or being hated turn its edge by flattering
And read the Daily Dope and still be wise:
If you can run with "bulls" and "bears," young Master,
If you can plunge—and not disclose your aim;
If you can reap a profit from disaster
And leave the sowers bearing all the blame;
If you can wave aside the lies you've spoken,
Outdo the knaves and lay a trap for fools,
Or watch the widows and the orphans broken
And use confiding citizens as tools:
If you can fool the crowd with hollow virtue,
And make the Kings of Industry your crutch,
If neither foes nor trusting friends can hurt you,
If no men count with you nor women—much;
If you can pay your club subs to the minute,
And meet your bills when sixty days are run,
Yours is the Earth and everything that's in it,
And, what is more, you'll run a bank, my son!
J. S. K.

Bankers and Credit.

By Arthur Kitson.

II.

DURING the war it was not the excessive issue of Treasury notes that caused the great rise in prices. Dr. Shaw, a well-known financial writer, in the *Quarterly Review* for January, 1918, showed that up to November, 1916, the number of Treasury notes issued merely corresponded with the golden sovereigns withdrawn by the Treasury, and yet the scale of prices had risen 100 per cent.!!

Mr. McKenna has, on more than one occasion, stated that the note issues were necessitated by the advance in prices, and were, therefore, the *result* and *not* the *cause* of inflation. As to the stability of prices under the gold system, one has only to consult any table of index numbers for the past fifty years to realise the absurdity of Mr. Withers's suggestion. In his work on Money, Professor Jevons tells us that from 1789 to 1809 the value of gold fell 46 per cent. That during the following forty years it appreciated 45 per cent., from 1849 to 1874 it depreciated over 20 per cent., then it appreciated again until the discovery of the cyanide process in connection with the South African mines, which once more cheapened the metal and led to an era of trade prosperity by reason of an increase in the money supply. The war led to another upward movement which has almost reached its limits. To talk of gold as a stable standard of value, which is subject to such violent fluctuations, is the height of absurdity. "So palpable is this objection," said Francis A. Walker, the American economist, "that some writers who still cling to the term measure of value abandon that of a standard of value."

Mr. Withers has much to say in condemnation of the shameful treatment meted out by the Government to the innocent, honest money lenders who relinquished their gold and accepted paper money, which gradually depreciated in value. If we reckon the amount of gold that was taken over by the Government at say £100,000,000 during the first two years, we shall be within a reasonable margin of what actually took place. Suppose then that this amount were exchanged for the equivalent of paper money, which finally became half of its original value, it means that the public were practically cheated to the extent of £50,000,000!

But let us examine the scheme which Mr. Hartley Withers has been advocating. The National Debt in 1920 amounted in round figures to about £8,000,000,000, and by far the greater bulk of this debt was incurred when the pound was one-half of its pre-war value. The measure that was accepted by the Lloyd George Government and its successors as the Cunliffe Currency Committee (known as the Cunliffe Currency Committee) makes it necessary for the British taxpayers to pay both principal and interest of this colossal debt in pounds of *twice the value of those that were loaned!* In other words, bulk of this debt was created, the amount that the taxpayers will have to refund will be £16,000,000,000, together with the interest charges on this practically inextinguishable debt!! Mr. Hartley Withers sheds tears over the robbery of the Government creditors who have been cheated out of a paltry £50,000,000 but has neither shame nor moral scruples against recommending the most gigantic swindle that has ever been perpetrated upon the British taxpayers, and in this he has the support of practically all the orthodox economists and financial editors!

Needless to say, after this, that Mr. Withers has nothing but contempt for those, like myself and Major Douglas, and other writers, who have been calling the public's attention to this insidious swindle. It is somewhat significant that writers who denounce

the Government's manipulation of the currency on account of its adverse influence on the members of the money-lending profession, and who continually preach the virtues and necessity of monetary stability, do nothing towards establishing a system which would prevent the fluctuations in the level of prices. They are quite content so long as the price level continues to fall and the value of money is augmented. The losses which have been experienced by the manufacturing and trading classes through the fall in prices do not interest them in the slightest degree, nor command their sympathy. In his criticisms of his opponents Mr. Withers misrepresents the opinions and suggestions of those with whom he differs. and in the case of Major Douglas he openly admits that he does not understand the Douglas scheme; but he does not hesitate on this account to condemn it.

As an illustration of his method, he describes me as a wholesale inflationist, and instances Germany and Russia as horrible examples of the result of the policy which I have advocated. He studiously avoids mentioning the fact that I have condemned inflation as an evil, *second only to the evil of deflation.*

It will be remembered that some years ago I contributed a series of articles on the monetary question to *The Times Trade Supplement*, in which I pointed out that the definition of the gold standard as given by Sir Robert Peel and his followers was both irrational and absurd, and that Sir Robert Peel himself had to abandon his definition in the very measure which he was advocating. It will be remembered that Sir Robert Peel defined the pound as a given weight of gold and said there could not be any other pound but a certain coin containing a given weight of gold; and yet he directly authorised the use of some millions of Bank of England notes that were based merely on national credit! It stands to reason that if gold is the only real legal tender pound, the bank notes comprising the fiduciary issue were fictitious and constituted a public swindle. It will also be remembered that Professor Cannan made himself famous by suggesting during the war that the Chancellor of the Exchequer should be prosecuted for issuing Treasury notes ostensibly of £1 value when they were not equivalent to Sir Robert Peel's golden sovereign!! Professor Cannan was at least consistent. If the pound is as it is defined by statute, then any substitute for it must be regarded as a fraud.

Some of Mr. Withers's colleagues have expressed their surprise that he has wasted so much time in his book in attacking those who differ from him. Considering that he has not even attempted to meet the main arguments of his opponents, but has contented himself with a lot of talk about the evils of inflation and other matters which have little bearing on the real issue, his friends are justified in their expressions of surprise.

The Current Conflux.

"It is reported that a well-known bank is acting as treasurer for Theda Bara productions, thus ensuring adequate financial backing."—*Girls' Cinema.*

"Are your feet identical in measurements with those of Andrée Lafayette, who plays the part of Trilby in the A. F. N. photoplay? If so, you can win a pair of silk stockings."—*Girls' Cinema.*

"Very reluctantly . . . the bank sent a communication . . . on no account would they provide a penny more unless they were satisfied that we were trying to comply with the conditions laid down by

the Ministry of Health."—*Chairman of the Sheffield Board of Guardians.*

"... but I think that a good many scarcely realise the readiness of the ordinary banker to give the necessary temporary financial accommodation when the circumstances of the case are explained."—*Arthur W. Kiddy in the "Spectator."*

"Tests were carried out... North Ferriby, Yorkshire, by Mr. Ernest Welch, who has invented a winged incendiary rocket which... will burst and spread a rain of molten metal over an area of five to eight miles, destroying aeroplanes or anything within its range. The molten metal... destroy steel or asbestos. Miniature rockets were used, as... the invention proper would have destroyed the whole village, houses, parish church, and railway alongside. Only privileged persons were permitted to be present."—*Daily Mail.*

"As the men of science grow more numerous, the scientific spirit will spread, and as it spreads, it will make more and more difficult a foolish use of the practical applications of science."—*Nature.*

"Ours is an evolutionary party."—*The New Leader.*

"Build the Party nuclei in the workshops! This is the path to real recruiting and the making of a mass Communist Party."—*The Workers' Weekly.*

"The aim of a Socialist policy in this country is not to dream of any wholesale transformation of industry, and still less to grudge to industry the means of prosperity and advance so long as it remains in private hands."—*The New Leader.*

"When people said the League (of Nations) had failed, it usually meant that the League had never been tried."—*Lady Bonham Carter.*

"Hitherto we have effected some saving (in repaying America)... payment... in Liberty Bonds. These bonds have been bought in the market below 100 and surrendered at 100. Now, however, most of these bonds are rising above 100, and the clause (in the Funding Agreement allowing this) becomes useless."—*Daily Mail.*

"The failure of the Home Bank has had one beneficial result. It has been decided to institute a system of Government inspection of banks... Special returns, setting forth the condition of any given bank will probably also be required."—*Daily Mail's Ottawa Correspondent.*

"... vast fields... railway developments in Africa... provide immediate employment."—*Hugh Dalton in "The New Leader."*

"But to-day the I.L.P. stands out as an organisation defending capitalism... Therefore the Communist Party... earnest appeal to all workers to do their duty by the working-class and break their connection with the I.L.P."—*Resolution of the Central Committee of the Communist Party, May 24, 1924.*

"New African railways will do much more for our unemployment now, and for our general prosperity hereafter than new breweries or..."—*Hugh Dalton in "The New Leader."*

"... any State which allows its agriculture to perish has sown the seeds of its own dissolution."—*A. W. T. in "The Evening Standard."*

The Theatre.

By H. R. Barbor.

NATIONAL FARE.

DRURY LANE is by historical association and modern practice the nearest thing to a national theatre we possess. Its name has become almost synonymous with a certain type of spectacular melodrama of a peculiarly English flavour. Sport, murder (usually with considerable violence), sentimental love, and here and there a low-comedy gent sitting on a tin-tack or baffled by a ma-in-law, are the principal ingredients of numerous dramas set before the audience of the Theatre Royal, Drury Lane. As these same ingredients go to the make-up of that less innocuous pie, the catchpenny daily and Sunday journal, we are forced to the conclusion that these are the national fare desired of the bulk of patrons of our national playhouse. Until lately the public have sought and found at the Lane those almost if not quite fatal accidents by land, sea, and air, those ineffably confiding virgins and superbly successful juvenile leads, those neck-and-neck sporting contests, those redoubtably hilarious, but, O, so reliable comedy merchants, that the Britisher loves to regard as his unassailable perquisites. He has paid handsomely for his favourite dish and gone away replete if unnourished.

Then came the cinema.

And as the silver screen (eloquent cliché!) held the mirror up to American natural history; as the camera was trained on air and earth and the water under the earth; as the half-mile "shot" dwarfed the seventy-foot proscenium frame, and real collisions by real trains, real falls by real automobiles and real horse-races on open-air courses were brought next door to Everyman, the puny triumphs of stage carpenter and decorator lost their attraction. Mr. Arthur Collins found his occupation going. Messrs. Griffith, Lasky, and their kind had robbed him of his robe of virtue. Mr. Dean's fanfaronaded entrance into the lists was a sign of the times.

Had not Mr. Dean staged a vast and thrilling production at His Majesty's just before? Was not he an exemplar of theatrical illusion which defied and outranged cinematographic competition? "Hassan" is witness for Mr. Dean's Defence.

As counsel for the prosecution I shall not cross-examine "Hassan." I shall accept the Baker of Bagdad as a credible witness. Ladies and gentlemen of the jury, we are not here to inquire into the defendant's past, not even into that inscrutable affair with the Spanish girl, "Conchita," which, however, you will bear in mind, doubtless. Yours is the solemn duty of investigating the matter in hand, "London Life," by Arnold Bennett and Edward Knoblock, presented by Alfred Butt and Basil Dean and produced by the defendant.

Mr. Knoblock, though he might prove a useful witness (you will recall his intervention in the "Conchita" affair), is not in court. He is, I believe, alleged to possess certain abilities as a constructor of plays. He has, we are told, a sense of the romantic-spectacular. His intimate and predecessor, Mr. Edward Knoblauch, gave us, in "Kismet," a workmanlike picture-drama into which Mr. Asche infused characterisation enough to lure Londoners for many nights. Varied costumes, Mr. Knoblock and Mr. Bennett conspired to make another best-seller of "Milestones." And there is still that Spanish wench.

Mr. Bennett in a programme affidavit has stated that the playwright of Drury Lane "may present the infinitely big... but he must not try to present the infinitely little." This, if it means anything, means that the niceties of psychology are not to be exemplified at Drury Lane. Shades of "Hamlet."

"The Pretenders," "Richard II.," and ministers of dramatic grace defend us! That Mr. Dean actively participated in this pernicious heresy gives us a valuable clue to the defendant's theatrical mentality.

But it is not the absence of the "infinitely small" that makes "London Life" a wearisome travesty of its title. Rather it is the failure to body forth those "big, and therefore simple, situations," in this cross between an interesting Five Towns novel and a filleted melodrama. Only twice did any of the protagonists really come into that character-conflict which produces the big dramatic situation, and which constitutes the fundamental difference between the narrative and the dramatic art-forms. When Simon Blackshaw swindled the Jew usurer-out of his financial dues in the last scene of the first act and when they again met as powerful political influences in the second act there was the clash of opposing characters, even of opposing races. But two situations do not make a drama any more than a well-contrived presentation of the terrace of the House of Commons makes "London Life." No, no. Mr. Bennett may think to flatter the overweening vanity of Wembley-bound provincials from the Five Towns, Sydney, Peebles, Toronto, and Calcutta, by referring to London as "the spiritual home of the crooked," and by a rehash of the Marconi scandal as an example of political chicanery. ("You see how Empires are governed.") But Mr. Dean will have to learn another method of governance for our next national theatre. Mr. Collins knew that the dramatic clash was necessary. If he did not give us the clash of contending spirits, he would hurl a motor over a cliff, or stage a race-account; but while he has left out the *demodé* mechanical stunt that no longer thrills, he has also left out the legitimate dramatic impact.

This lack of conflict and the *terre-à-terre* construction of the piece, which seemed to have no major or minor climax, was principally responsible for the boredom which it engendered in one spectator at least. For two hours and a half one waited for the play to begin. After that one ceased to care and only wanted it to end.

In the naive melodrama of ordinary commerce we do not listen to the literary quality of the lines. From self-confessed men of letters ("somewhat hardened men of letters" is Mr. Bennett's phrase), we must, however, ask for something more tonic than the weakly dialogue that fails to distinguish this piece. Trite remarks such as "Guilty of being found out," stilted artificialities ("It was the touch of him"—"I can't begin to thank you") put into the mouths of otherwise inoffensive people simply denude the characters who speak them of any semblance of actuality. The crowd of distinguished and notorious people gave the least possible evidence of any kind of originality. A soulfully mediocre miscellany.

It was left to the decorator and players to try to save the play. Mr. George W. Harris again proved himself equal to all his opportunities save in the last setting. For Blackshaw's drawing-room looked like the anteroom of a vast public convenience that had fallen into desuetude and had been hastily furnished as a bucket shop annexe. The Terrace set was a triumph of realism, save for the shadow of the tower thrown on the "heaven"—which was not Mr. Harris's fault. Nor was he to blame for the neglected river running on the sky of the Garden scene at Coombe; an admirable *décor*, save that the dancers' feet were invisible.

The cast was magnificent. I yield to none in my admiration for Mr. Henry Ainley's art. When he cares to (unfortunately it is not always), Mr. Ainley can do all that is delightful with any part and any audience. He seemed determined to make "London Life" live both in the Potteries and in Town. To

the part of Simon Blackshaw he brought all his apparently limitless vitality, his splendid vocal and gesture technique, and his attractive personality. He has deservedly skimmed the cream of acting parts during his remarkable career, and I have not seen him in a less effective part than this. But I have never seen him work so well or make more of the material at command. His Staffordshire accent was as perfect as his purer English, and his movements altered as the play progressed in accurate response to his changing mentality. He talked his clichés as if he meant them—as if they were full of fresh meaning. His gestures, especially those little broken arpeggiomovements of his hands (contrasting with the glissando of less certain players) were a perpetual delight. If the play runs, it will be by virtue of Mr. Ainley's playing.

Mr. Frank Cochrane as the Jew financier, Miss Olive Sloane as the music-hall star, Mr. J. H. Roberts as the provincial lawyer, and Mr. Edmund Breon as the county man turned politician, were impeccable in their characterisation and zest. The two interviews between Mr. Ainley and Mr. Cochrane were deliciously conceited duets. I did not like Miss Sloane's playing straight out at the house, but that was, I expect, her producer's and not her mistake.

Miss Lilian Braithwaite was ill-cast. She has the distinction, but not the allure for the part of the "Soul" (as Mr. Asquith calls them) of a political *salon*. She seemed, perhaps, by contrast with Mr. Ainley, subvital. Mr. Vibart looked his part, but somehow missed the distinction in speech which he had in the clever fidgetting with his eyeglasses.

Messrs. Clifford Mollison, Ian Hunter, and Graham Browne added incisive quotas to the admirable ensemble. Miss Mary Jerrold gave her usual charming performance (I have not seen her "act" since she appeared in "The Great Well"). And I must give Miss Gabrielle Casartelli a sentence to herself for the most characterful assumption that I have ever seen a child actress achieve.

These fine performances do not, however, exonerate the producer-manager. Mr. Dean stands arraigned for a lost opportunity. He could have given us a rich romantic play, full of light and colour, with vibrantactable parts. Instead he has contented himself with showing that he has all the technique of drama at his disposal. But the play, the *thing*, ladies and gentlemen of the jury; where is the thing? Not at Old Drury.

THE LANE.

[After the Russian of Ilya Erenburg, the Bolshevik Poet.]

BY ALEX. WERTH.

A lane. And in the lane the snow creaks.
There is firing. But they care not.
They kiss, and two little clouds from their trembling lips
Mingle in one.
Death wanders around fiercely. It is there.
Round the corner. So near. So close to them.
But the poor man embraces his dear one
And says to her those old old words—
"My dearest, my darling."
There is firing. But more closely they press to each other.
What are our barriers against death?
Yet even she cannot unclasp
Those weak little arms of hers.
O God, there are no flowers in winter,
One cannot even find a little blade of grass;
But here people can love so dearly
Below the gaze of death.
In a moment maybe they will stagger
As though they had slipped on the ice,
And clasping each other so tenderly
They will come to Thee.
Perhaps in these days we should only pray
And weep silently.
But, Lord, what cannot be forgiven
To them that have loved.

Contemporary Criticism.

By C. M. Grieve.

III.

I suggested a fortnight ago that as a variant of the device employed by Malloch in his "New Republic," John Buchan in his "Lodge in the Wilderness," and Father Knox in his latest book, the method of going round the thinking-shop and examining and criticising in turn a selected number of the thinkers therein might lead to happy results. For, as Muir says, "every philosophy is itself nothing more than a piece of psychological fiction; Plato was only a Dostoyevsky whose problems had never become personal problems." But Muir himself tells why it is exceedingly unlikely that this delightful task will ever be undertaken by the only type of man who could discharge it to perfection. "There exist in all times," he says, "a few tactfully compounded natures who without intellectual travail remain sceptical of the superiority of wisdom over folly, and with instinctive detachment refrain from pursuing either. To them the proper response to an unanswerable argument is a jest: they know there is ultimately no other. The economy in coming to a conclusion such as this without going through the chain of arguments which leads to it is what characterises a man of this kind, and what he prizes most. He is always escaping: and he values folly and wisdom as means of escape from each other: he avoids solely what lies between, the subtle province of argument, from which it is so difficult to free oneself. Unfortunately this kind of man is almost always inarticulate; he does not set down his conclusions, because these, too, are things from which he is always trying to run away." So we are left to the tender mercies of, say, "Amor Dei: Ein Spinoza-Roman" or "Die Kindheit des Parazelus" and "Das Gestirn des Parazelus" by Herr Von Kolbenheyer, the Austrian novelist. Needless to say, it was nothing of this sort that I had in mind.

In the same essay, Muir says: "M. Bergson, in his very professional book, 'Le Rire,' tries to show that we laugh because it is our duty: and that there is a moral in every guffaw. Laughter, he says, exists to castigate extravagances, or faults, or even the smaller vices. One wonders at the ease with which a philosopher's taste can be degraded by an excessive moral bias: for surely one observes the proprieties of humour more in saying that every extravagance, fault, and vice is justified if it is crowned with laughter. But laughter is in reality something quite different from what M. Bergson imagines it to be. In it one escapes from anything and everything, even from reason: that is its profundity. Laughter can refute even the truth: and existence would really be unbearable—we feel this, we do not yet know it—if the truth were quite irrefutable. Life itself is 'eternal' denial of truth, 'eternal' destruction of all that wisdom has contrived. And—in our hearts we would have it so."

Perhaps the nearest we have come to "the laughing philosopher" he seeks is Arno Holz in his "Die Blechschmiede"—or, as the sub-title has it, "the turned-over, churned-over, spumed-over, yeared-over, over-thrown, over-flown marvellous wastebasket, whose fateful, spiral, infernal castaway done-for snippets miraculously erect themselves, spectrally from ranks and columns, and suddenly—hey, presto, the devil take it, hullabaloo—grow sound as pins once more, super-jolly and trebly alive, a grand lyric-dramatic, drastic, musical-pictorial, plastic phantastic, orgiastic Tone, Scene, and Word Mysterium, a Pandivinium or, if you like, a Pandaemonium," etc., and to all his future corporate rationalistic interpreters, exepreters, exegists, mediaries, catechists, experts, glossarists, marginalists, and commentators, the author dedicates his book of "ultimate laughing audacity, most polished malice, gayest grace, most sparkling anger, and deepest, profoundest, healthiest,

most jocund, clearest, most hilarious, not to say most godly, most mocking wisdom."

"The spectator who sits down to this gallimaufry of a feast," says Scheffauer, in his "The New Vision in the German Arts" (Benn, 12s. 6d. net), "must also be annealed in the crystal furnaces of the Renaissance. He must also be an Ultimate Modern and have swallowed and digested the greater part of the things called Culture and Civilisation, and then given them up again in disgust—as one who grows seasick from the pitching deck and the swinging stars. Such meat and wine are too strong for our own literature, but this Gargantuan *magnum opus* stands and sparkles, a cosmic-lyrical boiler factory, the tinny thunder of which is softened by a Lorelei-like music that rings above the potter."

"It is Arno Holz's attempt," he says, "to compose a Profane Comedy, to reduce all culture, all history, all art, and all human society to something that may be brightened and interpreted by the Comic Spirit," and the author says himself in his closing words:—

"To all your windy moil and wheeze
I am the Laughing Synthesis!"

It is amusing enough—in its way—in all conscience: but Holz knew himself better in the old days when he was content to declare:—

"I am the dwarf Turlitipu.
My fat belly is made of gumdragon,
my thin pin-legs are matches,
my clever little eyes
raisons!"

It does not better the description to spell the last word "reasons."

Muir notes that "the conflict between the ideal of the Renaissance and that of ascetic religion—we call it by other names, but it is this—is still unsolved in our time." He easily outmanœuvres the "Wissenschaftlichkeit" of Bergson and the other "new spiritual" philosophers, is not too concerned over the prevalent "Begriffsmüdigkeit," and hopefully examines that subjectivity which has produced, in history, Oswald Spengler's attempt at a "Morphologie der Weltgeschichte," and, in art, the exaggerations of "Expressionism." Passage after passage reminds me (mainly by contrast) of Georg Simmel's "Kant und Goethe" in which he posed the fundamental question of man's dual nature, which the loosening hold over men's minds of dogmatic Christianity increasingly obtrudes. The Christian solution of the problem has lost its grip since the Reformation and the Renaissance: and since the seventeenth and eighteenth centuries one of Europe's great intellectual tasks has been to regain and establish on a higher basis the unity it has lost between "nature and mind, mechanism and the inner faculties, between scientific objectivity and the value one feels to be inherent in life and things of the material world." To each side in this contest belongs a particular "Weltanschauung" and Simmel took Kant and Goethe as opposing representatives: Kant showing that everything exists for us only as the outcome of sensuous impressions, as a process determined by our senses; and Goethe, on the other hand, sweeping away abstract thought and, as an artist does, achieving direct expression of his "Weltgefühl." Simmel concluded that where once Kant predominated and the cry was Kant or Goethe, the watchword now must be Kant and Goethe.

Muir discusses on an immensely broader basis the "tremendous and fundamental incongruity between wisdom and what we in our time call 'life.' . . . Wisdom can rob life of meaning simply by giving it a meaning. It can do this, because it is in some sense detached from life, free and therefore irresponsible. And being this, it is a dangerous thing. But this only the wisest see. Wisdom, they see, is not a solution merely, but a problem. There is something to be said against it! The wisdom which can thus discover itself from life has an aim: an aim which, if man

acknowledges wisdom at all, he must acknowledge to be wise. This aim is the attainment of stability. . . . But the stability which wisdom seeks is the stability of changelessness: not the stability of life itself, for life is stable just because it is change. . . . The antagonism between wisdom and life is here, then, complete. If it were powerful enough wisdom would destroy all life, simply and effectively, by stopping everything that moves, that it might be studied in security. It would do sins if it could, for wisdom is like everything else—finally without conscience. But wisdom is necessary: if it is the enemy of life it is a necessary enemy, and it serves life in combating it. Here then is the criterion of wisdom: in as far as it does this, it is good, for its very denial affirms: in as far as it does more than this it is evil, for its denial is mere denial. The unconscious wisdom of life (the abysmal and irreducible folly which is itself the unconscious wisdom of existence) judges not only our crimes; it condemns our most precious and holy things—virtue, self-sacrifice, beauty, truth—because they want to be final."

"Writers on psycho-analysis have shown us how much wiser we are than we think; they have begun to reveal the unconscious, a thing compared with which our consciousness is obvious, shallow, solemn, insincere; a thing so infinitely subtle that it perceives the imperceptible, so undeviatingly just that it does not ignore or conceal what wounds itself: a thing pitiless, caring nothing for us, willing, if we do not conform with its needs to slay us, to drive us mad; a thing great and salutary, which if we recognise it will make us more than gods. This wisdom is not deceived by eternal truths, good and evil, and all the meanness, the glory, and the pride of the intellect. It can do only two things, condemn or reconcile, because only these two things can finally be done. What does not together affirm life it must destroy. This is the thing which in our time we have come to affirm. How far this affirmation will take us we do not know: and therefore we cannot realise its greatness. But in a hundred years, perhaps, people will apprehend its meaning: and then they will speak of it as a turning-point in the fate of the human spirit."

A hundred years, perhaps? One of the few things Muir fails to realise is just how far he is in advance of his age. He ought to have remembered when he wrote that sentence what he himself points out elsewhere: "Stendhal was optimistic when he said he would be understood about 1880," and, personally, I am more inclined to think that Spengler has estimated rightly when he prophesies that Dostoyevski will be "the Christ of the next thousand years"—an estimate which throws out Muir's to an extent that can only be appreciated by reading his own essay on Dostoyevski, which is to Spengler on Dostoyevski as Nietzsche is to the average "Christian" on Christ.

Reviews.

Upton Sinclair's Serial.

By A. E. W.

The Goslings: A Study of American Schools. By Upton Sinclair.

If Mr. Sinclair were a lesser man, he would perhaps be another Barnum the Great. As it is, he has conceived the colossal idea of exhibiting America, the most extraordinary monster in the known world. He exhibits it in a series of volumes, which scarcely pretend to separateness, and are separated as Croce would say, only for didascalical reasons. One volume presses upon another and overlaps it. The present volume, "The Goslings," treads upon the heels of "The Goose-Step," and contains sundry rejoinders and counter-provocations arising out of the former work. Mr. Sinclair has formed himself into a firm, not operating, I take it, upon bank credits, which

writes and publishes this indictment of a civilisation. Perhaps the view should be enlarged to comprehend also those other writers, such as Mencken, who are indefatigably determined with Sinclair, not to leave the new heaven and the new earth without its apocalypse; and who are working hard, apparently night and day, to get the American scene—and unseen—down upon paper. The beautiful things of the world, as we know, are the snatchable prey of jealous fate. Suppose we were to wake up and discover that America was only a dream. Or, perhaps it is the opposite fear that spurs Mr. Sinclair on. Perhaps it is the fear that America will continue in her course, and that no toiling pen will ever overtake her. How would Homer have got on, if the siege of Troy had never come to an end?

Mr. Sinclair's exuberance is bound to do him an injustice. One gets the idea that he merely dips his bucket into the inexhaustible flood, and brings it up, time after time, brimming with the rich bacilliferous lymph. Unlike Mencken, whose beautifully-organised vituperation adorns what it touches, he even sometimes allows a touch of asperity to appear, and this, we feel, is a defection from the pure epic delight. "Perhaps," he says in one place, "you are satisfied with this country." Well, does he suggest that we want more of it? He even seems to hint disapproval of the incredibly credible Mr. Grout, who had a "new idea" that children were to be taught poetry, and taught the teachers how to teach it. "His method is to repeat one line of the poem, and then have the twelve hundred teachers recite this after him; then he repeats another line of the poem, and the teachers recite that; then he repeats the two lines together, and the teachers recite the two; then he goes on to the next two lines, and so on, until all the twelve hundred teachers are able to recite the entire poem correctly." This sort of thing requires character; and we cannot accept the suggestion that Mr. Grout, superintendent of schools for a quarter of a million people, is overpaid at "six hundred and twenty-five dollars a month, plus a car allowance of fifty dollars a month, plus a travelling allowance of a hundred and thirty-eight dollars and sixty-one cents a month." But perhaps Mr. Grout means that he is underpaid. Without Mr. Grout America would not be America, and to preserve her identity it would surely be worth while, if necessary, to make up the odd dollar. There must be spirit of wine in the atmosphere of America, otherwise so incomparable a specimen as Mr. Grout would never be preserved simply by breathing his native air. This would also, perhaps, throw a light on the endurance of prohibition.

I hope the reader has long ago given this up as a review. If he has, I will relent, and state plainly that the book is about American education. A lot could be said about education, American and other; but to what purpose? The trouble with education is that there is too much of it, and I lack sympathy with Mr. Sinclair's apparent belief that it can be divested of social tendency, and made compatible with the revolutionary movement. It is better to walk round it, as one walks round the Fat Lady (I suppose) at the fair, and admire the spectacle. "Education," cried Mr. Bettinger (an American) "I'll tell you what Education is! Education is getting a lot of young people into a room, teaching them a lesson out of a book, hearing them recite it, putting down a mark in figures, and at the end of the year that's their record. That's what education is, and we are going to have that and nothing else in Los Angeles!" Here American culture seems to come unusually and uncomfortably close. It is interesting to note that Mencken, who cannot be suspected of collusion with Bettinger, virtually endorses this definition, though he substitutes marks with what he whimsically calls a rattan for marks in

figures. Bettinger is really a modern humanitarian. Anyhow, with his definition, *pace* Mr. Sinclair, we know where we are, and we can decide whether education is universally appropriate or not.

Education, in fact, cannot be cut loose from its civilisation. It is a symptom, and you cannot reform a symptom. Mr. Sinclair is more amusing when he exhibits the specific American stigmata, as, for example, in the filing and statistical dementia. Among the "forms" which the teachers have to fill in are "quarantine cards, record cards for office and superintendent, record of transfer to other schools, registration cards, three forms of attendance reports, inventories, seating charts, duplicate schedules, absence excuses, term record sheets, duplicate attendance slips, library cards and library service, correspondence duty, telephone duty, patrol duty, meeting parents, care of lockers and keys, returning lost books to pupils." The teachers become infected with the "scoring" craze. "Thus one Columbia man is marking a city map with a red dot for every high school student in each city block. . . . Two other Columbia men, with the highest degrees, have been "scoring" history topics; they have marked subjects mentioned in seventeen leading magazines for five years, a total of 92,000 references, showing how many times Columbus is named, and Magellan, and Theodore Roosevelt. They publish this in the "Journal of Educational Research"!"

What can be said? It is a case for uttering ejaculations, like the lady who visited Niagara and said "Wonderful!" I dare say the reader knows the rest of the story, which I may be excused for thinking relevant. "It reminds me," she added, "that I left the bathroom tap running." Mr. Sinclair's tap goes on running, but it is to be feared he will never succeed in getting the whole of Niagara through it. I find I have made no reference to the political and financial corruption in education. Sometimes the suspicion arises that Mr. Sinclair's tap is running broad.

There is something unspeakably semi-human in the worst excesses of the American mind. But let us leave America alone. This unmistakable sickening whiff, as of democracy gone rotten, which comes over the Atlantic, is only the exaggerated stench of our own decay. This civilisation is taking the spice out of life; I declare that in a short time it will put humanity off its food. In fact, it is already getting beforehand with that. Education, at the worst, can only poison the infant life; but we have discovered a way of depriving education of its victims. God knows—he must know, for the papers are full of it—that we cannot bear to breed, or breed to bear. Congreve is said, by the puritans, to have been rather broad in 1700; but we can now amend one of his latitudes into a pious prophecy. Mirabel's "When you are breeding," can be made both up to date and refined by the change of a single word.

Mirabel: When you are *sterilised*—
Millamant: Ah! name it not.
Mirabel: As may be presumed, with God's blessing on our endeavour.

Will Capital Leave the Country? By Hugh Dalton. (I.L.P. Publishing Department. 2d.)

Mr. Dalton asserts that "British capital cannot be exported without creating a demand for British labour," for if "capital is exported in the form of steel rails without any counter-balancing imports, later on interest is paid in the form of imports of corn, cotton, or tobacco without any counter-balancing exports."

Like most professorial economics, this statement rests on various invalid assumptions and is quite valueless. It is an old "Free Trade" fallacy that exports are "paid for" by imports, for it ignores the obvious—that a country is benefited by the use of capital internally; and assumes that capital is only exported when the home market is saturated. In "The Oversexed Illusion" Robert Maclaurin showed that the growth of foreign investment coincided with

the fall in real wages; and Mr. Dalton makes no attempt to deal with this argument. Indeed, he believes that the "traffic in pieces of paper is not fundamentally important"; that is, he assumes that finance is what it ought to be—the tool of industry, whereas we know it is the master. "When it was seen that the end of the world had not come after all, values would soon correct themselves." Soon? Professors of economics may be like gods and a hundred years nothing in their sight, but that number of weeks or even days is quite long enough for most of us to be upset by "widespread movements arising from panic, spontaneous or engineered, to sell British securities and invest the proceeds in foreign currencies." Not until the last page of this pamphlet, and then in a footnote quotation from Mr. McKenna, appears the important qualification: "When gold is not in use, money is incapable of migration." This sentence is worth more than the preceding twelve pages, and was probably printed by accident.

Thoughts Speculative. By Desmond St. Paul Murphy, B.L. (Talbot Press.)

These essays in political ethology are based on John Stuart Mill's Logic VI. By the classification of the Arts into Place and Time, and by their comparison, Mr. Murphy hopes to obtain "a Science of Place and of Time divorced from all their concrete manifestations, which would solve the riddle of Sociological Evolution."

An unfortunate attempt is made to defend Malthus and Mill on Population and Wages. A low level of existence produces maximum fecundity and the natural decline in the latter when war, disease, and poverty are no longer prevalent will reduce the birth rate at the very time that the "limits of subsistence" are being extended. As for the Wages Fund theory, a deficiency of capital, as distinct from raw material, would produce business activity, but unemployment of both Capital and Labour is caused by a relative excess of Capital, the result of a production of goods based on a restricted money demand, and their distribution only in return for possibly unnecessary services.

In "Prices and Wages" Mr. Murphy shows that the maximum retail profit is attained through a price higher by 50 per cent. of cost than that which would produce the maximum turnover. This is dependent on demand falling as prices rise, but demand is stimulated by limiting supply, and that is the reason for advertisement and restricted output. When prices tend to retail profit at the expense of the manufacturer, the latter is generally able to check it; indeed, merchants are often only distributing agents. Prices are really governed by the supply of credit, and the real issue is not between Production and Consumption as Mr. Murphy imagines, but between Finance and Production, Creditors against Debtors.

LETTERS TO THE EDITOR.

SHERWOOD ANDERSON.

SIR,—Whenever an American writes a good book our critics, as a rule, express a great deal of amazement at something good having come from Nazareth. A critic in one of the Scottish reviews frankly confessed the other day that he (or she) got quite a shock when he (or she) made the discovery of Fanny Hurst's "Lummox"; and similarly facetious comments were also made when Sinclair Lewis's "Babbitt" and "Main Street" and Cabell's "Jurgen" first reached our shores. It is curious, however, that no such exclamations were provoked by the recent publication of Sherwood Anderson's book of short stories; most critics put on a benevolently patronising air at the sight of that immature product of an immature civilisation, and kindly pointed out to little Sherwood how many silly things he in his blissful ignorance had done; and one of the leading papers even refused to regard him as anything except "curious" and "interesting"—very convenient words in the vocabulary of the critic who "can't be bothered."

And though the critics wrote a good deal about Sherwood Anderson, they obviously couldn't be bothered with him. The reason for it probably is that Sherwood Anderson, while being a fine writer, occasionally writes the most obvious rubbish. He is not always an accomplished artist, he is merely a pioneer in his own art; yet he is a pioneer who has already achieved some great things. He does not

invariably succeed in the technique of his short stories; in "Horses and Men" "I'm a Fool" is perhaps the only one that has the absolute perfection of the best stories by Tchegov or Maupassant, yet that alone would seem sufficient to entitle him to more serious consideration on the part of the critics. "I'm a Fool" is a remarkable piece of workmanship; listen to this: "The place we were sitting in was dark, like I said, and there was the roots of the old stump sticking up like arms, and there was a watery smell, and the night was like as if you could put your hand out and feel it—so warm and soft and dark and sweet like an orange." Tchegov couldn't have done better, Tchegov, the supreme master of detail, who in one sentence can blend colour, shape, smell, taste, sound, and feel into that one emotional effect which is generally called atmosphere.

Sherwood Anderson is a man who has seen life and felt things deeply; he has developed a penetrating super-sensitiveness towards nature and human existence which is probably, with the exception of Joyce, unique in to-day's literature. With a sensitiveness like this, Sherwood Anderson who, as a writer, needs to objectify the minutest psychological details that appear significant to him, often fails in the actual expression of his sensation, *i.e.*, his choice of words and images is often bad. But whenever his choice of words and images is good, one feels that there are times when literature is something more than mere "art," namely, a revelation of life.

That remarkable story "Unused," which has alternately been described as ridiculous, stupid and absurd, and the author of which has been called an ignoramus and a man who knows as much of sex as an infant, contains all that is worst and best in Sherwood Anderson. The day-dreams of the girl who "went on the turf" about the fairy prince who will come and marry her is assuredly a hopelessly false touch—so far as the girl's emotional state is objectified in the too concrete image of the impossible fairy prince. On the other hand, the seduction of the girl who, while working on a field along with other girls, is taken by the hand and led into the wood by a lad whom she scarcely knows—a scene for which so much contempt was poured on Sherwood Anderson's understanding of life—is undoubtedly a marvellous piece of psychology. It shows the sudden revelation of sex in the "unused" mind of the simple girl, the sudden wave of an instinct which the unsophisticated mind and body of May Edgley cannot and will not resist.

And it is this fierce vitality of Sherwood Anderson, the poet of the Middle West, where beside the placid dullness of Main Street beats with elemental force the amoral healthy animal energy of a young rural nation, that seems so absurd and childish to so many of our literary judges. Perhaps in the society in which we live Sherwood Anderson's life-values may not seem real, yet the "absurd boldness" of Sherwood Anderson will, perhaps, not be taken so readily for granted if we think of Dostoevsky, who probably had a deeper knowledge of his men and women than any other writer, and remember his magnificently real Nastasya Filipovna in "The Idiot," an "unused" woman, too, who is not altogether different from May Edgley, the "unused" woman in Sherwood Anderson's story.—Yours, etc.,

ALEXANDER WERTH.

"QUESTION TIME" IN "NEW AGE" FOR JUNE 12.

QUESTION II.—(a).
SIR,—On page 24 of "Credit-Power and Democracy," Major Douglas quotes a statement by "H.M.M." in a letter to the "Guildsman." The last sentence of this statement runs:—

"It is clear, therefore, that one credit is only cancelled by the creation of another and larger credit."

It is a little odd that your questioner should have missed this sentence on page 24, when in II. (b) he quotes from the very next paragraph, page 25.

A. W. C.

Pastiche.

AS YOU WEAR!

By A. J. GRIEVE.

(Unofficial Instruction of a Cabinet Minister to the War Office Authority relative to a recent Order for the encouragement of Recruiting for His Majesty's Forces.)
Sir, I deplore our efforts at recruiting
Give much anxiety: boys seem unwilling
To grasp with pride, these days, the sergeant's shilling.
Thinking our job: someone must do the shooting.
This reluctance for the fray was not in my time.
'Tis very odd: could anything be odder,
Khaki once popular is now just "cannon fodder."
My colleagues think, therefore, that it is high time
—Since lads for bayonets have lost their passion—
To overcome this fearful slump in haters:
No other way leads out of the impasse.
So double the buttons, spats and pipelay ration.
—That ought to check these cranks and peaceful praters—
Repeat last order please for poison gas and gaiters.

OBLITERARY OPINIONS.

By WILLIAM BELL.

J. M. BARRIE'S gift lies in his deftly cutting a genteel slice out of life, toasting it to a nice shade of brown at the family fireside, spreading a seemly layer of butter on the toast, and serving it up on a bit of Victorian china—Mrs. Grundy herself presiding at the table with an ever-watchful eye.

Yet the world is in the same rut in which Barrie saw it from his window in Thrums some forty years ago. He seems to have learnt nothing vital for himself, and he has consequently taught the world nothing new. What, then, has he done with his talents? He has amused us. But his compatriot, Harry Lauder, is also said to have amused many. That is certainly better than if he had bored us. Except for his pantomimic phantasia, "Peter Pan," Barrie's work is as expressly dated as to-day's postmark.

HILAIRE BELLOC has carried his dogma of Private Property to such a degree of fanaticism that he almost seems to claim Religion to be the private property of the Roman Catholic Church. Being a fellow-religionist of Chesterton's, he never tires of chanting hymns in praise of the Vatican and of the vats of ale which form his normal horizon.

So religiously intolerant is Belloc that he seldom sees a Protestant or a Jewish head popping up but he feels it a sacred duty to hit it in the name of the Pope. His intellectual outlook envisages a world of tiny islands set in any-thing but a pacific ocean of English ale, and each island thing but a private property of a Romanist. Belloc's Heaven will the private property of a Romanist. Belloc's Heaven will presumably also be staked out on similar lines in privately-owned allotments; and the half-way house will doubtless bear the thirst-inducing sign of "The Purgatorial Arms."

ARNOLD BENNETT is the chief exponent among English writers of the American "stunt" called mass-production. His style is as flawless as a piece of machine-made cloth. One can almost hear the click of the wool shooting across the warp of his literary loom as it creaks out his daily quota of imitation home-spun smelling of the deadly atmosphere of "The Five Towns."

Bennett's business instincts early taught him the commercial value of advertisement, for he is a publicity expert of "100 per cent. American" calibre. Being a business man above all else, he produces his definite number of words per day from his literary factory much in the same way as a textile-worker achieves his daily output of shoddy in a Batley mill. Lesser men than Bennett would not acknowledge their advertising tactics; but, being no hypocritical *poseur*, he is judiciously candid about it all.

He decides to visit Lilliput: and the "Sunday Times" at once announces a series of articles from his pen on the secret tittle-tattle of that interesting country from prehistoric times till the day after to-morrow. He goes to Spain for a holiday and genially undertakes in his stride to retail in tuppenny packets of spice on Sundays the gossip he collects there. He has been known to spend a short week-end in Hell, and to return with full personal details of the lives of the chief stokers and their notorious harems. The local colour, it seems, is there merely a few shades darker than that of "The Five Towns," so that Bennett feels more at home downstairs than up.

His knowledge of Existence in the Potteries is doubtless as comprehensive as that of Scotland Yard. But what has Bennett to tell us of Life? Mainly old wives' tales.

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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.
 CANADA.—The United Farmers of Alberta, of Lougheed 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.)

- † BROOM, E. J., 70, Marylands-road, Paddington, W. 9.
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BANKERS AND CREDIT. By HARTLEY WITHERS. 6s.

They are all worthy of attention. The first three should be read by all students of the new economics.

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