

THE NEW AGE

INCORPORATING "CREDIT POWER"

A WEEKLY REVIEW OF POLITICS, LITERATURE, AND ART

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NOTES OF THE WEEK.

The *Financial News* of June 7 contains a long article inspired by the Finance Inquiry Petition Committee's activities, to which the writer alludes, quoting from the letter which they send out with Petition Forms. The article is thoroughly typical. The writer begins by talking of the proneness of people to attribute economic difficulties to one cause. Next he enumerates a long series of possible causes—most of which are on the face of them effects, and the rest equally so upon short analysis. Finance can, without doubt, he says, have "a substantial influence upon trading conditions." Thence he takes a question-begging leap into the middle of "inflation," which, he points out, though stimulating great activity, "leads to" a constant depreciation in the value of the monetary unit. This is exactly like saying "inflation" leads to itself; only one could not expect him to destroy the force of his argument and reveal its omissions by putting it in that way. He does not, of course, advance any reasons why an expansion of credit must of necessity produce inflation: it has always happened so and therefore always must, is his implication. Now that England is working on the gold standard he suggests that the necessity for an inquiry is not obvious.

"Under the gold standard the regulation of the currency system is, to a large extent, automatic."

And for the rest subject to "management."

"When the country is prospering gold should flow in and form the basis of the additional credit required to finance expanding production."

When industry expands without the help of new financial credit, new financial credit will be lent to it.

"When trade is less active and gold is tending to flow out, the credit structure is contracted —"

When industry falls off in spite of the extra credit the extra credit will be taken away.

"— and this contraction, by influencing prices in a downward direction, helps to restore the competitive power of this country"

by the process of calling for repayment of bank

loans and overdrafts, and forcing manufacturers to choose between losing most of their money in panic sales or losing all of it in bankruptcy. The writer refers to "competitive power" as though it were unconditionally a good thing. If someone makes an article costing him 20s. and sells it for 2s. he has "competitive power" enough, but he will hardly thank the financial system for "restoring" it in that fashion.

"The banks are only too pleased to lend their money —"

This is going too fast. Before they lend it they create it. It is the property of the community.

"— to finance sound projects —"

Projects, of course, which the banks consider sound. "—but their resources are not unlimited, and in the interests of their depositors . . . they are compelled to keep resources fluid."

If fluidity is the essential thing, the banks can have it at any time. They have only to advise the Government to replace the existing £2,000,000,000 odd of bank deposits by currency notes to the same amount.

"During the post-war boom of 1919, when this country was on a paper basis of currency —"

The country is still on that basis for all practical purposes.

"— there was little difficulty in obtaining finance for various projects. Production was expanded in all directions, new issues were numerous, capital was constantly being increased, and fresh programmes of development inaugurated."

This, let it be noted, is the very condition upon which the writer has said that fresh finance should be forthcoming from the banks. But—

"it was soon found that while during this period there was but little unemployment, the real problem was one of markets. It is little use to produce goods unless they can be sold —"

How true.

"— and as this country produces largely for oversea markets and is organised for that purpose —"

And not for supplying its own market,

"— any improvement in our industrial position must depend to a considerable extent upon progress abroad."

But since we have already been told that gold and credit flow to where there is a balance of prosperity we should have expected that any improvement in our industrial position would depend upon retrogression abroad. Apparently this is not so. Instancing ourselves and America, it would appear from the writer's argument that gold and credit would flow from us across the Atlantic if our export trade to America fell off and America's were booming. Next we should write down our capital and whittle down our consumption until, we suppose, our prices undercut America's, and her importers began to give us orders. Then the gold and credit would be withdrawn from American manufacturers and come back here. If both countries were at an equal pitch of prosperity one presumes that the gold and credit would be equally divided between them and a midway halt called to production on both sides of the Atlantic. Nowhere, apparently, can the people of any country hope for a continuous increase in their prosperity. All they can hope for is to be able to excel other countries for short periods in the matter of financial costs, and so get the assistance of the bankers until some beaten rival gets its costs lower still, whereupon there is another bankers' gold rush to the country in question. The conclusion we draw from the article is the opposite of its author's. He has made out a sound case for an inquiry.

Banking has been called a profession, a science, an art—and now it appears to be likely to become a religion. The Rev. J. H. Ellison, St. Michael's Vestry, Cornhill, writes to one of the London financial papers as follows:

"The announcement in your columns of an insurance companies' service in a Fleet-street church will indicate to your readers how steadily the City is moving in the direction desired by Bishop Gore in his sermon at St. Botolph's, Aldersgate. Such services are not infrequent in other parts of the City. . . . The annual service of a great bank, at which the chairman or one of the directors reads the lesson, the choir is provided by the operatic and dramatic society, and the church is filled by the staff, keeps alive the belief that the spirit of the old religious guilds is not dead and is seeking to adapt itself to the life of to-day. I am fairly confident that our successors, if not we ourselves, will see in the annual service of a great bank or insurance society as natural a part of its yearly proceedings as its annual meeting of shareholders."

There is nothing startlingly new in this. We remember a similar idea being carried out years ago by a certain company promoter, who always opened his shareholders' meetings with prayer. The public prosecutor closed the series. However, as we are not believers in the doctrine that religious exercises should be too closely identified with swindling, let the banks go on with the project. And if by any means the directors can inculcate renunciation of the good things of this life among their staffs (but why does Mr. Ellison exclude shareholders from the congregations?) so much the better for profits and reserves. And why not include the subject of theology in the examination papers for the Institute of Bankers? There is nothing like starting these young men early on the path of abstinence—nor anything more appropriate, seeing that they are to be employed in "larning" the rest of us to be consumers.

Austria is now reported to be in such a healthy financial position that the Council of the League of Nations proposes to end its control at the end of this month. To mark the occasion, the National Bank has reduced its discount rate to $7\frac{1}{2}$ per cent (!) "Unfortunately," comments *The Times* in its City Notes, "the adverse trade balance of the country has for some time past shown a tendency to increase." There has been a reduction of exports and an increase of

imports. Perhaps the author of the article in the *Financial News* could tell us whether Austria's present "healthy financial position" is what the banker regards as "prosperity" when it comes to the question where he shall move his gold, or whether he requires there to be a favourable trade balance as well. It is surely of extreme importance to us in this country, organised as he tells us we are, for exporting to other countries, to be quite sure that deflation will bring us back our export trade. It has not done so up to the present, but we suppose the excuse is that the British people have not agreed to settle down to work peaceably under it.

What is the matter with the *Spectator*? In its "News of the Week" last Saturday, discussing the coal situation, it says:

"Look at the facts. The Royal Commission Report holds the field. We have felt strongly all the time that the Report must be used. It would be the last word in folly to throw it away after such a heavy price has been paid for it and so much ability and labour have been expended upon it."

To say that the Report is a sound one is an intelligible, if arguable, proposition. But to suggest that, whether sound or not, it has got to be used because it has cost a lot of time and money is one of the most curious arguments we have heard. In pharmacy there are such ingredients as "incompatibles"—substances which in some instances neutralise each other and in others combine to form noxious—and even violently poisonous—compounds. Every pharmacist has a tale to tell of how he once saved a busy physician's reputation by referring back a doubtless hastily composed prescription. Imagine, then, the patient insisting on having the original prescription made up solely because it had cost him a lot of money. We are straining the analogy in favour of the Coal Commission. As a matter of fact, their Report contains nothing material that has not been known to people in the industry all the time. What they have done has been to disseminate the information among people outside the industry—people who, for that very reason, cannot understand the facts in all their bearings much less know what to do with them. Is it not sufficient condemnation of this Report to notice that neither the miners nor the coal-owners are nearer a compromise than they were before it was issued? If any master and man insist that they each instantly must have ten shillings to keep going on, and together they cannot collect more than fifteen shillings to divide up, it is obvious from the commencement that the intervention of a third party will be useless unless he proposes to look for the extra five shillings. The Coal Commission, far from looking for extra money for the coal industry, took some away. In other words, its contribution towards stopping the row was an endorsement of the very thing that caused the row—the withdrawal of the coal credits. The Commission was not there primarily to settle the coal problem, but to oppose the further expansion of credit. It was a banking commission.

PRESS EXTRACTS.

(Selected by the Economic Research Council.)

"No gold standard is really possible in these days unless it is a managed gold standard, and we see the management of the gold standard by means of changes in the bank rates for money, and the operations of banks in buying and selling securities going on under our very eyes."—*Sir Josiah Stamp in Barron's Weekly, February 1.*

"The large export surplus by which Germany must pay reparations can be secured only by low wages, low cost of production, increased industrial efficiency, and a contracted internal market."—*Survey of the International Chamber of Commerce, quoted in Commerce and Finance, April 14.*

The German-American Bank of England.

A month before the general strike broke out there was a general election. It was not held publicly, because it had nothing to do with the choice of people who administer policy in Parliament: it was held privately, because it had solely to do with the choice of people who dictate policy outside Parliament. For months past—while the capitalists and the trade unions were sharpening their daggers in readiness for "The Day"—Plutocracy was building tanks. Twelve of them, to be precise. The Court of the Bank of England was being furnished with twelve extra thrones. Eight for America. Four for Germany.

Perhaps, now that the integrity of the British Constitution has just been placed on an unassailable foundation, the patriotic citizens of this country who united to preserve it may like to take a close look at it. Here is the revised list of members of the Court of the Bank under the groupings by which they designate themselves. It was completed on or about April 1.

ENGLISH GROUP.

Sir John Gordon Nairne (Controller of the Bank).
Mr. Cecil Lubbock (ex-Deputy Governor).
Sir Charles Stewart Addis.
Mr. Henry Cosmo Orme Bonsor.
Lord Cullen of Ashbourne.
Mr. Albert Charles Gladstone.
Mr. Edward Charles Grenfell, M.P.
Colonel Lionel Henry Hanbury.
Sir Robert Molesworth Kindersley.
Lord Revelstoke.
Mr. Henry Alexander Trotter.
Mr. Robert Wallace.
Mr. Arthur Whitworth.

AMERICAN GROUP.

Mr. Charles George Arbuthnot.
Mr. George Macanlay Booth.
Mr. George Henderson.
Mr. James P. Morgan.
Mr. Ronald Dudley Kitson.
Mr. Alexander Shaw.
Mr. Michael Seymour Spencer Smith.
Mr. Walter Kennedy Whigham.

GERMAN GROUP.

Mr. Kenneth Goschen.
Mr. William Douro Hoare.
Mr. Robert Lydston Newman.
Mr. Frank Cyril Tiarke.

Sir Alan Garrett Anderson is the new Deputy-Governor succeeding Mr. Cecil Lubbock. The Governorship remains with Mr. Montagu Norman.

Let us make it clear at the outset that in publishing this list the last thing we desire to do is to cast any reflection on the integrity and single-mindedness of the gentlemen whose names appear in it. On the contrary, it is these very qualities in them which terrify us. If only they were self-seeking adventurers—men out to use their power to feather their nests and cut glorious figures—we could rest comparatively comfortable in the belief that so long as they monopolised the limelight they would not be dogs-in-the-manger about letting the community enjoy the overflow of their satiation in respect of economic security. But we have no such comfort. These gentlemen, God help us, are altruists. They are evangelists with a passion for souls—our souls. They are ready to renounce everything which would make this generation happy in order to give a good time to the next. They out-Gospel the Gospels. To love thy neighbour as thyself is, for them, not enough; it is rather thy descendants whom thou must love, as thyself. While admiring the spirit of this super-abnegation we are bound to point out that it is defective as a practical policy; for in the case of our neighbour, he is here to tell us how he wants to be loved; but our descendants are not, and we have to guess what they

would wish us to do for them—rather our financial overlords have to do the guessing for us; or they believe they have. Mr. Montagu Norman, it will be remembered, was referred to by an American banker as a "Crusader." The term will apply to all these occupants of the thrones of the Bank—they are all crusaders. Their impeccability hangs like a black pall over society. One sighs in vain for the ray of only just a wee little human weakness among them. But no. They are without sin, and they have deserved the divine right to cast stones at whoso shall be taken in the act of consumption. Like the Pharisee, they need no mercy, and extend none. Who shall be merciful to us Publicans?

But while we may admire the devotion of these people to an idea, we do not propose to value the idea by their standards, nor do we propose to sit down quietly while they work it out irrespective of what happens to the millions of masters and men in this country who are at their wits end how to save their businesses and their homes from bankruptcy. It is now becoming generally recognised that governmental policy is dominated by financial policy, and that the control of financial policy is in the hands of persons who are not responsible to the electorate for the manner in which they exercise it. The visible seat of this policy in England is the Bank of England. The Court of this Bank may be regarded as a permanent Cabinet, under which political Cabinets of all complexions successively take office. This is a direct negation of the principle of Democracy and is a major problem in itself. But hitherto there has been at least this consolation that the permanent Cabinet which thus employed British Cabinets were themselves British and regarded British interests as paramount. If the Bank Rate was raised, it was raised for the ultimate good of British trade—not other nations' trade. If deflation and the gold standard were decided upon it was that Britain might thereby hold her own in a world of bitter competition. That was the intention which we could reasonably take for granted—even if we did not all see very clearly wherein the benefits from it arose. But what are we to believe now? Suppose that Mr. Baldwin were to have announced that he had enlarged the Cabinet, allotting half the ministerial posts to representatives of American and German commercial interests. His doing so would really not have mattered a great deal so long as the control of British finance were in the hands of purely British organisations which could be relied on to exercise their supreme power first and foremost for Britain's advantage; because under such conditions the new cosmopolitan political Cabinet would have had no power to carry out a policy incompatible with British interests. Yet what an agitation would have stormed through all the estates of the realm at this "betrayal." But, now notice. Not a word has been said about the denationalising of the permanent financial Cabinet which rules Britain. Alien interests may enter into conclaves where orders are given, and nobody minds. But let them enter where orders are merely taken, and nobody tolerates it. A real betrayal the British people will go to bed with; but a formal betrayal must not even peep into the scullery.

Really the tragedy is too poignant to be other than a joke. Just imagine American and German interests helping to decide what shall be the Bank Rate in this country. A reduced Bank Rate is an encouragement to borrowers, leads towards an expansion of credit, and tends to inflation. Inflation, as Mr. McKenna has reminded us, tends to stimulate exports. Exports where to? Well, among other countries, America and Germany. So it will be seen that the Court of the Bank has given two of our competitors the power to contribute to a decision when, where, and how this country shall get an entry (if any) into their markets! It has

given them, by the same reasoning, the power to say how many millions of industrial capital values shall be written down, how many miners shall be locked out, how many ratepayers shall be ruined by Poor Law imposts—in fact, what shall be the economic condition of Great Britain.

One sees now why Mr. Maxton's Bill to nationalise the Bank had to be hastened out of the House up to the "Examiners." For how could American and German financial interests be nationalised? How could Mr. J. P. Morgan be brought to obey the mandate of a British electorate?

Again, the reason why the Bank of England has completed its preparations for taking over the printing and control of the British Treasury Note, stands out clearly. It would be of no use instituting an Anglo-American-German monopoly of "British" bank-credit without taking steps to safeguard it against the chance that a popularly elected British Government might be authorised by its constituents to create fresh national currency for national purposes. Parliament will have an opportunity towards the end of the year of debating whether to relinquish its control of currency; but we doubt if it will accept its chance. It has never shown a desire to exercise any control, so why should it trouble who does so? Anyhow, Messrs. Morgan, Goschen, and others have already installed the note-printing machines; which suggests that they are quite unconcerned about the formality of Parliamentary endorsement. As for the King's effigy—that will go, like "imperious Caesar's" dust, to stop a hole in the credit monopoly.

We have spoken of the denationalising of the Bank. It is equally true to speak of its internationalisation. Our readers will recall rumours which we quoted some time ago about a central bank for Europe. Why should it not be the late Bank of "England"? Seeing that in the sphere of politics Britain is serving writs under compulsion from Washington on all her European neighbours, it is only fitting that the Court of the Bank of England should become a European tribunal dealing out penalties in the sphere of Lombard Street and Wall Street financial law. At least we may see in the Bank the temporary premises of the Central Bank as well as an indication of the manner of its constitution.

But in the meantime many things must happen. The proposed Central Bank was planned to work in conjunction with the League of Nations. Since then Spain (and Brazil) are in process of separating themselves from the League. Another Latin nation, France, is in a category all to herself. She is in the League formally, but informally acting as though she were entirely independent of it. Italy, again, has never taken any trouble to conceal her contempt for it. Having regard to this Latin spirit of revolt in Europe and outside, it is significant that no Latin interest is represented in the Court of the Bank of England. On the contrary, one may say that the formal inclusion of Germany is, in the light of the Great War, an anti-Latin gesture on the part of the Bank of England. Some visitors, returned from Paris recently, were remarking in our hearing on the singular circumstance that the French Press was, in general, visiting its hostility on England much more than on America in respect of the financial crises under which France has been suffering. Does it look so singular to them now? It is one thing for a French Minister of Finance to come to England pleading for lenience over the debt before Mr. Justice Norman, and even Mr. Justice Morgan, but—to see Mr. Justice Goschen sitting serenely on the bench. . . !

We wonder, do our financiers ever think of the difficulties of the British Foreign Office? One begins to visualise the nature of the problem set for Sir Austen Chamberlain in regard to the Locarno Pact. He recognised that it was a vital British interest to keep on the friendliest terms with France, and yet

was being bullied by almost the entire British Press (its sudden unanimity was a nasty symptom of intrigue in itself) to stand uncompromisingly for Germany's unconditional election to a permanent seat on the League Council. France's hostility to this can now be understood and sympathised with if she knew, as doubtless she did, that Germany had been admitted to a permanent seat on the Court of Directors of the provisional Bank of Central Europe, which would of course dominate the policy of the entire League.

And now a word about domestic affairs. The coal lock-out drags on. Plan after plan appears day after day; each of them antagonises the miners or the coal-owners, and most of them both. The reason is well known to readers of these pages. No plan is allowed public ventilation without previous endorsement by the Bank of England; and the Bank will not endorse any plan that provides for an extension of the subsidy, either as a subsidy or as long term loans to the coal industry. The result is that while Britain is losing markets America and Germany are finding them. And, seeing that America and Germany hold together, as we have seen, nearly half the power of deciding this ruinous Bank policy (it may prove to be much more than half when the present ownership of the Bank's stock is declared—if ever), it is hard to tell how the situation can be cleared up unless the more influential British industrialists in this country unite to bring strong pressure on the Government to disclose the reason for its apparent hostility to extended credits.

This brings us to the subject of the Petition for an Inquiry into Finance. Such an Inquiry is more urgent than ever. We have never shown much enthusiasm for the idea of nationalising the Bank unless in conjunction with the acceptance of the more important idea of what to do with it when it has become nationalised. But at least members of Parliament would be able to elicit more information about a national bank than can be given them in the case of a privately owned bank. As it is, the only conditions under which information can be demanded are those attached to the holding of a Royal Commission. To this end the circulation of the Petition is a useful thing; yet it will need to be implemented by something more than signatures if it is to stiffen the political Government into putting the financiers in the witness box. Finance has its victims in high places as well as low. These must make themselves a continued nuisance. Some of them are doing it. They must be joined by many more.

Lastly, it will be recalled that from time to time mention has been made of a "Bill to define banking," but for some reason or other it has not yet been drafted and submitted to Parliament. One of the reasons, if not the one reason, for this is, in our opinion, the fact that a debate on an attempted definition would be dangerous from the bankers' point of view while Parliament still enjoyed the constitutional right to create legal tender. In explanation of this view it must be remembered that at present the banking system is able to argue that its power to lend credit is limited by the power of Parliament to decide what amount of legal tender (Treasury Notes) shall be in existence. The volume of bank credit having to stand (as it is stated) in some ratio to the volume of legal tender, Parliament can ultimately control the volume of bank credit (so it is argued—or rather implied). But a debate on the subject would be dangerous. It would be sure to reveal, among other things, that as a matter of practice Parliament has long ceased to use its power of control: that it has left currency regulation to the Treasury; and that since the Treasury is part of the banking constitution and not the political constitution, the volume of legal tender has actually been decided by the bankers. A few years ago such a fact would not have troubled

any member of Parliament, because the whole House neither understood nor aspired to understand the principles of high finance. To-day everybody has learned something about them—sufficient, at least, to raise awkward issues. So the bankers will avoid a general discussion on banking and concentrate first on the narrow argument that it is obviously convenient, "scientific," and what not that all forms of credit should be under one "expert" control. If they secure that control they will later on be able to use the *fait accompli* itself as an additional argument for an Act of Parliament designed to exclude any "non-experts" from competing in the banking business. And Parliament could not consistently answer it. Even so, their tactics will be to wait until they can introduce such legislation under the most favourable conditions, namely, when a dissolution is in sight; for then the House can be terrorised into acquiescence by pictures of a possible "Socialist" majority "tampering" with the "delicate mechanism" of finance, and so on.

All this would be done in pursuance of the larger, the international, banking policy of establishing a complete separation of the credit system from the political system in all the countries of the world; thus effecting the formal, as well as the actual, renunciation by Governments (and thus peoples) of any control over credit (and thus policy). This is at the bottom of the French crisis. All three national groups represented in the Court of the Bank of England are trying to drive a wedge in between the French Government and the Bank of France. Will they succeed? That depends upon how long British statesmen remain content to tolerate the spectacle of alien financial artillery bombarding the franc from emplacements in Threadneedle Street. One would think that even if the sight were not morally repugnant to them, they would at least take notice that the recoil of these heavy guns is smashing our industries and scattering our workmen like refugees in hundreds of thousands to the Labour Exchanges and the Relief Offices all about England. We went to war because Germany wanted to strike at France across the neutral territory of Belgium. Are we going to allow Messrs. Morgan and Goschen to blockade France from the neutral base of our National Bank?

A Heretic's Word-Book.

IV.
NATIONAL GALLERY.—A hall badly furnished except for pictures, better known to provincials than Londoners as an excellent refuge from a shower. Recently acquired by the Wertheimers as an ancestral mansion.

NEWSPAPER.—An elaborate device for keeping the public ignorant of what is happening, maintained at the expense of its victims by indirect taxation of what they eat, drink, and wear.

NEW THOUGHT.—The delusion that one is as wise as one pretends to be.

NIGHT.—A time when we are all supposed to be blind.

OPTIMISM.—Making light of other people's troubles.

PEACE.—A helpless lady championed by Mars, who kills her in her own defence.

PESSIMIST.—One who tries to make the best of a bad business, contrasted with an optimist, or one who hasn't wit enough to recognise a bad business.

PRAYER.—An endeavour to gain by persuasion what one cannot obtain by merit.

PURITAN.—One who restrains himself from smelling the flower until it is withered, and expects to be rewarded for his self-denial by the creation of another flower, and so ad infinitum.

Peasant Wedding.

AN IMPRESSION AT THE RUSSIAN BALLET.

This is genius. The portrayal and the cacophony of the subconscious harmonised with the conscious in the sacrament of marriage. The World is dying: long live the World! For this ballet is a new creation and a portent; it is poised in the eternal mystery that unites the infinite past of racial memory with the pure moment of creative experience. The surging waves of attendant maidens and youths are woman and man, collective, impersonal, and ceaselessly moving in the depths; the bride and bridegroom, awed to bliss, and transfigured in the bodily consciousness, are individual, but almost motionless from ecstasy.

The bride, adorned with enormous twin ropes of her plaited hair, thrills back through the massed unconscious to Eve, as her companions weave patterns with the monstrous tresses; and though she seeks to leave the myriad strands like roots to draw the ineffable sustenance of the past, the tresses are at last coiled round her neck in token that the present is utterly accepted. Here is the moment when all that is little and personal is left behind, and deep meets deep. The one becomes the many and the many one, as the pyramid of humanity forms, and anon breaks in human waves around the bride. Is she one? Is she many? Is this time? Is it eternity? It is the past—streaming away. But no, it is the future—it approaches.

The multitude in the deeps of the bridegroom leaps, subsides, masses together, is blown apart, is reknit, is agitated with loud cries and crashes; the while he shares the bodily stillness of the bride.

And reminiscence of the ecstasy from which the bride and bridegroom sprang in their generation, is portrayed in the smaller more diffused surging around the poignant figures of the two fathers and the two mothers. In them is knowledge and experience. They exhibit tenderness and wisdom, and intense awareness that the past and the future are uniting to swallow up their children.

Now the bride and bridegroom, and the father and mother of each, sustain together the massed beat and retreat of the human tide. They stand and sit together quiet and expectant, their attitudes are simple and glad; whilst woman and man—the combined unconscious—multitudinous, mingling and separating, body forth the mounting urge towards union in the heart of bride and bridegroom, and the recaptured virginity in the hearts of the last generation. The throng goes on light feet before them, gradually passing from diversity of impulse, and separateness of the womanly and manly elements, into a complete fusion of the two. Then the new generation and the old rise and exchange beautiful salutations; the two mothers move to the threshold and form the portal of the door to the creation of the new generation.

This is a dignified, a simple, a perfectly realised picture of the normal human experience—free from preciousness or any distortion; marvellously unified between composer and choreographer. And what intelligence and accomplishment of technique on the part of the performers!

From these elements the miracle is extracted—a strong, restrained, direct presentation of the purity that every dawn displays ere the fiery passion of the sun weds the earth anew.

Stravinsky has eclipsed even "L'Oiseau de Feu" in perfection of identity between the music and the ballet. It is excruciating—like life—but infinitely worth while.

W. T. S.

Mr. Chesterton and We Moderns.

By Richard Church.

III.

Life is full of such paradoxes as this. Here we have the medievalist, the lover, and, finally, the true son of the Roman Church, expressing in his character the very essence of the Protestant. He wants to be left alone. He wants, if it please him, to wallow in the sties and dens of the cities, for there is a variety in sin which at the last shall make it worth many a virtue. He wants a place where he may carouse when he will; he wants to be able to wear the most colourful and heterodox clothes, and to do all the irresponsible and ridiculous things. He believes that it is the duty of man to be eccentric, since the very purpose of human life is to venture out and to find some new experience with which a man may come home rich to his Father who sent him forth. If you clean up the world, there is no temptation for a man to get soiled, and the power of resistance dies within him through lack of use. Of what advantage to a child is it to be wrapped and coddled, or saved from drunken parents or from a slum environment? These are the conditions which give life its *timbre*, its rhythm. Mr. Chesterton believes that these things are here because man is endowed with an authority to resist and to overcome them. To bring the child up in the even atmosphere of a social incubator is to deny it the magnificent honour of pain, and the luxury of despair; it is to suggest cynically that man is not capable of fulfilling his heaven-sent mission in this world. The Great Interferers will say that he is not; that only racially can he win through. They will institute, like Epicurus, a Garden, from which the winds, pests, and inclement skies are excluded. They will overbear both Mr. Chesterton and the young anarchists of the dance-club. The former they will condemn as a Romantic Zeno, preaching an impossible stoicism against an overwhelming material environment. The others they will punish as being purely obstructionist cynics, without even the intelligent satire of a Diogenes to give point to their attitude of "san-fairy-ann."

Here we have, then, the classical and eternal triangle of human antagonisms. The one kind, the orthodox, timid, pacific, gregarious kind, will say, "Let us fight the fight together, for the enemy is too vast, too mysterious." That is the party of the Catholic Church, and of the Socialist Reformer, the party of the priest and the atheist, the party who believe in a family union under the Fatherhood of God; and the party who believe that strength lies in a communal drainage system. The second kind, the aggressive, independent, self-faithful, will say, "Let me alone. I will fight my own battle, for the adversary is singular to me, such is the mystery of life." That is the party of the Puritan and of the Artist. The third kind will say, "Why fight at all? It is not worth while, for there is nothing to win." That is the party of the Business Man and the Neurotic, the Wealth Amasser, and the Nightclub Spendthrift.

Here, however, we again come up against the complexities of life, those diagonal leapings which, if we are to include them, so involve our graphical and categorical representations of life. It is so excitingly simple to produce a diagram which definitely places the irreconcilable elements into some sort of harmony. That is the first joy of mathematics. But as we plunge deeper into experience of reality, we find our equations and other artifices need more and more amplification, until by contrast the living mystery seems more comprehensible than the scientific diagram.

So it is with Mr. Chesterton; and, indeed, with Mr. Shaw. Because both these men are artists and individualists, they fall into our second cate-

gory—the Stoic. Because Mr. Chesterton is a Roman Catholic, and Mr. Shaw is a Socialist Reformer, both are in our first category—the Epicurean. The valuable and significant thing is that neither of them touches the third class, the Cynical, at any point. That is the class of negation, sterility, and the toleration founded on spiritual torpor. Here we find all the sensuously good-natured people, the people suffering from fatty degeneration of the soul. Mr. Chesterton is a thin man. In this class are to be found those who think, like Robert Walpole, that "every man has his price." Even though we find circumstantial evidence overwhelmingly against us, we must never believe it. To do so is to give up the struggle and to let the flood of materialism rise over our mouths.

Mr. Chesterton will never believe it. He stands there doggedly, a *Johnson de nos jours*, giving the lie direct to this pernicious cynicism which is the voice of the Devil. Since the making of the Pyramids, the tendency to a machine-like existence has always been fighting against the human being, because a false simplification of society is the only means by which the half-witted materialists—the financial magnates, the sordid place-hunters, the politicians and entrepreneurs—are enabled to "govern" this unfathomable mystery, this uneasy amalgam of fire and water, God and beast; this faithful traitor called Man.

I believe, then, in considering Mr. Chesterton and his work, that it is merely impertinent flippancy to talk only about his picturesque medievalism, or the scintillating cleverness—sometimes rather wearisome—of his literary style. These are symptoms of the passion within—the unceasing fervour of reverence for the God in man, the Christ-man, in which we must believe if we are capable of reading the evolution of religion in the light of history. Only a few of the world's greatest have realised what a subtle, eternal, and awful texture is the fabric of man, which makes him the crown and epitome of the age-long phenomenal experiment of the Life Force, the Father of All. Without this belief—the highest reach of the intellect and soul in unison—we cannot taste to the full the glory of this situation in which man is placed, here on Earth, pressed upon by the stars. We cannot see the rich significance of his arts, sciences, and conduct. Without this faith as the basis of our judgment, these fine flowers of humanity lose their perfume and colour. The vitality goes from them, and they can no longer stimulate us to those ecstasies in which we look as spectators, upon the panorama of life, and see for an inspired moment the shape and meaning and direction of it all. I believe that Mr. Chesterton has this vision, and I reverence him for it.

FIRE AND FLOWER.

Whence comes this mystery of fire,
That from the dormant clod
Permeates all, wakes Man's desire,
And lights the purposes of God?

When self-consuming stars are born,
And planets cease to be,
Where is the vow of change first sworn,
What passion issues that decree?

Now the primeval quietude
Before this strife began,
Never, or seldom, may be viewed
By the fevered world whose king is Man.

Oh for some fixed life above
This change and fire and fret,
Some flowerlike form that will not move,
But blossoms where its birth is set.

Then, in the silence of repose,
And gradual growth to fruit,
I'd find, where passion never grows,
The Fire that is Man's vain pursuit.

RICHARD CHURCH.

Towards a New Social Synthesis.

By Maurice B. Reckitt.

I.

Stale thinking is at all times something of a disgrace to those who permit themselves to indulge in it. To-day, as the General Strike has revealed, it amounts to a crime and a public danger. Our political leaders are wont to attempt our consolation in this age of crisis and alarm with the reflection that "the resources of civilisation are not exhausted." Nor indeed are they, but they might just as well be for all the use that those leaders are making of them. Such complacent blindness might almost be said to be the *métier* of conservatism; but the situation becomes alarming when the disease is seen to have spread to the reformers. In a different form, no doubt; for while the Conservative remains for the most part true to his Bourbon tradition of learning nothing and forgetting nothing, the reformer has often learnt one thing (and that not always true) while forgetting everything else. Either he is an inverted Bourbon, clinging with a tenacity the reactionary might envy to an outworn synthesis that no longer fits the facts, if it ever did so; or he has abandoned the attempt to hold a synthetic social theory at all, and seeks first and all the time a single reform, trusting that with its attainment all other things needed for a sane and happy society will be added unto it.

Our political leaders, for all their differences, are alike in this—that they all hope for the best. The reformer hopes that something will turn up; the Conservative hopes that nothing will turn up—for any unusual event would only, from his point of view, make matters worse. But the ordinary man in the post-war period differs from his leaders in that he has practically given up hoping altogether. Though often by no means constitutionally incapable of taking what we are bound to call, in an unsatisfactory phrase, an "idealist outlook," circumstances have become too much for him. The War threw too large a stone through the stained-glass windows of Victorianism; their allegorical figures of Progress and Evolution are no longer recognizable for his worshipping. The "one far-off divine event" seems appreciably further off than it did when the century dawned, and creation appears even to be moving in the opposite direction. He surrenders, therefore, to the apparently irresistible forces of a world that seems to have taken the bit between its teeth, and retreats for comfort into the personal, the domestic, or the purely aesthetic. What "social hope" remains is pinned to a "good-will" which, to whatever degree it may be a reality, is fortified by no spiritual sanction, and is supported by no economic basis.

If this diagnosis is true, as must seem to be the case, since all the facts confirm it, the condition of our social order is grave, and it would be in peril from spiritual causes, even if it were not so from economic ones. A society with strong traditions and a real hold on principles might recover a lost equilibrium instinctively. But we are without these, and must seek the conditions of social stability, as it were, self-consciously, and to a degree and with an intensity required of no previous age. We must feel deeply and know clearly what we want for society, why we ought to want it, and what resources we have for achieving it—resources being understood to include ideas no less than physical forces and the contributions of science. Yet as it is, for lack of conviction and agreed objectives, even those of us who cherish the impression that we are "men of ideas," seem content to drift, seek diverse ends, and "agree to differ" over matters on which no true society can afford to differ. It is indeed significant that the few to-day who know most clearly what they want are often those who seek the least noble ends. The attempt, then, to build up a new social synthesis out of those true resources of civilisation which are con-

stituted by the formative ideas of men of real social insight and originality in this century, has got to be made, whatever the charges of presumption and impertinence which may, perhaps justifiably, fall on those who make it. The bricks may prove faulty, but the straw is there right enough. Belloc, Chesterton, Orage, Hobson (whichever pair of initials we select), Penty, Cole, Fordham, Brailsford, Soddy and—*coronat opus*—Douglas: assuredly the resources of civilisation are not exhausted.

The attempt has got to be made for the further reason, already indicated, that to-day it seems to be nobody's business to make the effort to envisage the social problem outside the limits of a single projected solution of it. A hymn of my childhood, extolling the social benefits of individual piety, exhorted us that

" . . . we must shine,
You in your small corner, and me in mine."

It is this process of strictly idiosyncratic illumination that is so perfectly exemplified by the contemporary reform movement. The phenomenon is the more curious in that lip-service is commonly paid by every school to a doctrine of Progress, which, if its definition is seldom attempted, is assumed as a truth virtually self-evident and one that automatically unifies the efforts of those who acknowledge it. Yet these "workers united in the course of progress" shrink apart into groups that exhibit themselves as divisive and "isolationist" to a degree. Each school fears to stain the purity of its orthodoxy by taking any notice of suggestions or criticisms advanced by another. The organs of the Labour Press, for example, will discuss articles appearing everywhere save in a rival revolutionary periodical. Readers are equally sectarian; where is the man who troubles to follow regularly what is being said by Brailsford and Brenton, by Chesterton and Dutt? Yet since (as it seems to me at least) no single clue will lead us right out of the maze of plutocracy, or would be likely, if it did, to take us where the mass of men could really feel happy and free, it is a synthesis that we need. For theories that are partial and inadequate can do little more for us than philosophies that are fallacious and outworn.

It is clear, I suppose, to most readers of THE NEW AGE that, whether they like it or not, the burden of opposition to plutocracy is not yet borne by any of the live, if insufficient, ideas evolved in this century to counter one aspect or another of a decaying capitalism, but by a moribund philosophy evolved in the circumstances of an age now gone by. The nineteenth century developed not only a new sort of civilisation—if it can be called such—combining political "democracy" and proletarian bondage, but what is perhaps a unique feature in history, a passionate and enduring philosophy of protest against it. This philosophy of protest was supported by an organised movement, trade unionism, which, with all its flaws, is possibly the sole and certainly the most important achievement of democracy. Currently, this philosophy hardened into a theoretical independent social theory as a reply to capitalism—dependent social theory as a reply to its character on and a reply necessarily depends for its validity of that which it answers, so completely Socialism for the nineteenth century, so completely have economic and social circumstances been transformed, that its exponents to-day may almost be said to be answering something that is no longer there. While the actor continues the same discourse, the back-cloth has been changed and the scene re-set. Capitalism has passed from its peaceful (textile) phase, with an expanding standard of comfort, into the fiercely competitive struggle for markets and materials, necessitating a cutting of costs (chiefly by the reduction of wages) and a progressive crippling of home demand. The financier, with his

poisoned finger in every pie, has ceased to serve the ends of the entrepreneur and subordinated those ends to his own. The age of concentration by steam power is giving way to a period, in many ways, more hopeful, of decentralised power through electricity and the petrol engine—a fact which has incidentally reduced the general strikes to an anachronism. Competition has so far ceased to be "the soul of trade" that it is regarded by contemporary trust-magnates as a form of economic waste. Socialists have not, of course, failed to note these phenomena as isolated facts; what they have failed to do is to revise their synthesis in face of them. And chiefly, no doubt for the sufficient reason that no such revision on anything like an adequate scale is possible. The Socialist elastic, stretched beyond certain narrow limits, snaps. The twentieth century must build up from the resources of its own age the social synthesis and the policy appropriate to it which will constitute an effective challenge to plutocracy such as is vital to-day, not only as a moral gesture, but as an economic necessity.

A Vagabond in Denmark.

By Leopold Spero.

XIII.

A SUNLIT SOUND.

Svendborg has its daytime fascination as vivid and arresting and original as the magic of its night. Here is the same adaptation of a solid and contented little independent coast town to the soulful needs of the romantic Metropolitan as you will find in many a Cornish town, where in the season the inhabitants recede from the water's edge up the hillside into their own fastnesses, save only for the picturesque few who are part of the furniture of the marine fringe. Here foreign custom comes to the streets of the more forward shops whose prices the residents avoid as if they were infectious; and up and down between the quay and the mellow church of Our Lady, but no farther over the shoulder of the hill, the streams of summer boarders parade and stroll, gleaming with soap and hairoil, easy in their studied *neglige*, arm-in-arm and confident of the blessing of their visitation. Not that Svendborg really needs them, or has no middle-class respectability of its own, no geometrical villas with bits of vivid garden, no tumbling, infantile motor-bus that runs out to where the woods begin that look across the blue streak of Svendborg Sound to the hills of Taasinge, with an absurd little chalky church sticking out like a white-washed rolling-pin from the topmost hillock. But there are other parts of Svendborg beyond the first heavy pull of the hill, grim and blacksmithy streets, born with the spirit of the slum in them, but fortunately not yet matured from that disgusting promise.

Perhaps if the prosperity that came from the world slaughter had lasted longer, there would have been more factories on the hillside, to lend their aid to more shipyards down by the harbour. As it is, Svendborg has been saved for what she was meant to be, and sleeps contentedly enough to-day, waking only with fitful moments of regret for all the gold marks that will not come again into her coffers. But the white yachts and motor-boats that come to anchor in her quiet roadstead, and the slow train that puffs in from Odense, or the little steamers hurrying from all directions, from the towns of Northern Germany, from Copenhagen, bring tribute fair enough. Last night, sipping her coffee on the Terrace at Christiansminde, was a lady Cabinet Minister, no less, come to forget the cares of State amid the allurements of a sylvan cabaret. And to-day, as we ride out to the woods of St. Jorgen's, and walk down into sight of that wonderful ribbon of blue between the islands, who knows what gravity and importance we may not meet disrobing itself lazily among the little bathing sheds. But before we get there we must pause, for

here is a cherry-tree at the roadside, so heavily laden with deep crimson fruit that it would seem a kindness to relieve the burden. And if this old fellow with his ladder can understand, he shall minister to our vagabond caprice. How much a pound? What does it matter? If you must pay while he fills your newspaper with the gleaming clusters, it is to please yourself, not him. And how they caress the teeth with their soft, sweet, juicy flesh, as you go munching your way down to the little row of cottages that stand by the quiet churchyard. The old dame at the door, disregarding what you want to ask her, tells you that here is the oldest tree in Denmark, and points it out to you, and shows you the way through the gate, where you now find yourself in the fairest orchard you have seen these many days, and sit on the crazy edge of the path, with your feet in a ditch, chewing cherries and breathing the light wind, and gladdening your eyes with the sight of mankind at peace amid the beauties of the world. Two summer-boarding ladies, passing by, turn to stare with a benign wonderment, and their gaze brings you to the realisation that you may be trespassing. But somehow you feel that trespass is no crime in this pleasant land, where the wayfaring stranger is presumed to be innocent until his guilt is proved. So you finish your meal, and wander slowly on until a turn in the path brings you into sight of a dainty villa, and the two ladies, more like summer boarders than ever, sit rocking themselves in lazy American fashion on the sunny verandah.

Anthropological Economics.

By V. A. Demant, B.Litt., B.Sc.

(Fellow of the Royal Anthropological Institute of Great Britain and Ireland.)

WEALTH AND DEBT.—III.

The power of finance over all social activities is well illustrated in the difficulties over post-war reparations and debts. If finance were merely an efficient system for getting the goods across from producers and purveyors to consumers, the reparations and inter-allied debt problems could be settled at once—by the debtor country agreeing to supply goods and services to its creditors equivalent to the debt contracted whether as loans or indemnities. This would mean an influx of goods and services to the creditor country (an increase in real wealth), and their most efficient distribution would be carried out by a scientific financial mechanism. But, as has often been pointed out, such an increase in real wealth is obtained without production and employment in the creditor country, which from the point of view of finance means without manufacturers having to demand financial credit. This naturally does not suit the purposes of finance, whose success as a business depends on dealing in debts, creating a need for credit and maintaining a monopoly of it, on the same principle as any producer of commodities would adopt.

But the absurdities of modern finance are nowhere so clearly exposed as in the spectacle of the United States, the wealthiest country in the world, finding that her hoard of gold is of no use to her, if not a positive hindrance, and being glad to get rid of a good deal of it. Apart from views about the "Gold Standard," we have here unmistakable evidence that the "laws of economics" as conceived by financiers are not "laws" after all. Gold apparently does not mean wealth. It is merely a fictitious instrument for maintaining a monopoly of debt.

The anthropologist sees, then, in the economic chaos of modern industrial civilisation, a complete inversion of humanity's idea of wealth. He sees modern man acquiescing in an absurd system which reckons wealth not in terms of production, exchange, and consumption, but in terms of financial symbols. He sees vast potentialities of production,

made possible by scientific and technical inventions, become a menace instead of a means of prosperity and peace, because mankind has allowed the activities of real wealth producers and consumers to be controlled by a business which deals in money as a commodity. Modern man, no doubt, acquiesces in this view of money which is responsible for most of his miseries, because throughout most of civilised history gold, which has been the basis of currency, was also a commodity, i.e., has had a value apart from its exchange properties. The anthropologist can explain how gold came to have such a psychological hold upon the human race. Professor Elliot Smith has shown that gold became a medium of currency in the ancient world because it was regarded as an effective substitute for cowrie shells, as a magical substance which had the power of "giving life."* It is well known that cowrie shells, which were once regarded as "life givers," are still used as currency in many parts of the world. So it is due to purely historical circumstance that the basis of civilisation's currency has been a rare metal which was also valued for its own sake. But there is no intrinsic reason why the medium of currency should be a commodity. And as a matter of fact, we see that a gold-based currency was fairly satisfactory only so long as the economic foundation of wealth production was agricultural, that is to say, what it was when gold was first conceived as a convenient basis. But the last two centuries have witnessed the transfer from the whole economic structure of civilisation from an agricultural to a predominantly industrial basis, as the result of the invention of the steam engine and the rapid development of scientific processes. And it is during this period that we witness the growing confusion between the production of wealth and the dealing in debt, the direct result of attempting to adopt a money system evolved in agricultural communities to the complications of modern industrial society. Anthropology can disprove absolutely that demand for gold is a natural instinct in man, as many economists suppose, and can show that gold is a substance which acquired value owing to certain religious beliefs in the ancient world, and owing to its chemical properties in later ages. But this has nothing to do with its use as money; and though it may have been a comparatively successful basis of currency for a long period of civilised history, its maintenance along with the commodity view of money in an industrial period where it obviously does not work is the result of a gigantic superstition.

We shall see in another article how this superstition leads not only to an impasse between producers and consumers, but also is the source of all modern international economic rivalry and therefore of war.

THE CULPRIT.

A Study in Modernity.

Not Want,
nor Sloth,
nor evil Melancholy,
the Devils that beset us!

To labour, toil,
and still to starve
'mid Plenty,
God!
the zany to heget us?

Behold!
the Immortal Pantaloon
'neath Earth's most faithful moon
playing on his big bassoon!

Behold!
our father, Folly!

MORGAN TUD.

* Elliot Smith: "The Evolution of the Dragon," chapter III.

The Mind of a Bishop.

By Philippe Mairet.

There are many who think that Browning's Bishop Blougram is still the type of higher ecclesiastical mentality. It is commonly imagined that a churchman, well-read in modern science, art, and philosophy, cannot possibly believe what he teaches. He may be too astute to believe in disbelief, though—that is beginning to be allowed. And that was the case with Blougram, who "believed, say, half he said."

This may or may not be an entirely libellous idea of bishops in general. But in Bishop Temple we have at least one bishop who can most ably and positively defend the grounds of his faith. His "Mens Creatrix"* is a work whose very merit makes us feel the defect that it is not consistently metaphysical enough. But it does expound the essential metaphysics implied in Christianity with a mastery not only grounded upon ample knowledge of modern philosophy, but, in its first part at least, dignified by an original rearrangement of ideas. At some risk of unfairness to the author, I cannot refrain from an attempt to indicate the leading motives of its argument.

Bishop Temple begins from the nature of thought itself. The method of thinking is the same, whether the will to know is practical or speculative. In either case it is a relation between a particular thing practically known and a universal, intuitively known. The unit of thought, the *judgment*, arises from this relation. But the judgment is also the whole of thought. For the judgment in its various forms is always the articulation of a system, the realisation of a concrete universal or unity as a whole of parts. Even a system of philosophy may be regarded inductively as a system of judgments, a supreme judgment in itself.

The intellect alone, however, would grasp the whole world as a network of relations. It tends therefore to absolute determinism, not only in considering the human will, but by reducing every individual thing to a term in a series and nothing more. While we are not at all justified in thus concluding that it would be nothing apart from its relations, it is true that an individual is determined by his function, and the more so the higher we go in the scale of being.

"The greater the natural gifts, the more dependent is the man on environment. The ideal genius would be a man with a capacity corresponding to every function of the universe; and for the development of those capacities he would be dependent on all existence."

Such a man would be Absolute Mind incarnate. But actual knowledge is not the work of Mind, but of this or that mind, each according to capacity apprehending the world about it, and according to instinct for totality (will to know) trying to unify its knowledge. Actual knowledge then is the achievement of what Bishop Temple calls the Society of Intellects: an important conception, for it is the intellectual version of the Gnostic idea of Sophia.

Thus emerges a vision of the Absolute as the physical world held in contemplation by this Society of Intellects: and purely intellectual work will carry us no further. We cannot by intellectual method alone prove such a conception as the transcendent God of Religion. But if, by an impulse not intellectual at all, we are carried to the conception of an Infinite Mind, which is neither individual nor the Society of finite minds, the scientific intellect, which cannot reach it, may yet welcome it as the supreme Idea in which its imperfect work can culminate.

Since there is no action of the human mind which does not proceed from desire to realise a Value, the Infinite Mind must be the Will which realises the Value of all the values realised in the whole experience of the Society of Intellects.

This bald summary can do no more than suggest how Bishop Temple unites the highest needs of the Intellect and the Will into a belief in the Incarnate Word as none other than Jesus the Christ. Merely to adopt this belief is not to understand it; but, so far as he can understand it, a man enters anew into the Society of Intellects. He perceives the Word which is the synthesis of all judgments as something living in human thought. And every creative thought is its judgment. Thus the Mens Creatrix lives in such a man, whenever a thought unites the height with the depth of his own being. And every such thought is a judgment, of his own being. And every such judgment, a re-visiting or even reversing all previous judgments, a re-valuing of all former values, an act in the re-creation of the world in the Image of Him who is the Will to all Value.

* "Mens Creatrix: an Essay." By William Temple, Bishop of Manchester. (Longmans, Green and Co. 10s. net.)

Notes of a Madman.

(A fragment by Leo Tolstoy.)

II.

First we went by railway (I took a servant with me), then we travelled post chaise, changing horses at every stage. The journey was a very jolly one. My servant, a young, good-natured fellow, was as happy as I was myself. New places, new people; we travelled and were happy. We had yet over a hundred miles to go before reaching the estate. We decided to drive on, without stopping, only changing horses. Night fell, and we kept on driving. We began to doze. I fell into a doze, but suddenly awoke; I felt terrified by something. And, as it often happens, I awoke frightened, alert, as though I should never fall asleep again. "Why am I going? Where am I going to?" suddenly came into my head. Not that I disliked the idea of buying an estate cheap, but suddenly it seemed to me that I had no need whatever to travel to that remote place, that I should die there and then, in a strange place. And a dread fell upon me. Serguey, the servant, awoke; I took the opportunity of talking to him. I began talking about the country around there; he answered, joked, but I felt wearied. I talked of the people at home, of how we were going to buy the estate. And I was surprised at the jolly way in which he kept on answering. He found everything nice and jolly, and to me everything had lost all savour. But still, while I talked to him I felt easier. Apart, however, from the feeling of weariness and of dread, I began to feel tired, a desire to stop. It seemed to me I should feel easier if I went into a house, saw people, had tea, and, above all, could fall asleep.

We were approaching the town of Arzamas.

"Hadn't we better stop here for a while? To have a little rest," I said.

"Certainly."

"Is the town still far off?"

"It's seven miles from that milestone there."

The driver was a staid, precise, and silent fellow. His driving, too, was slow and tedious.

We drove on. I relapsed into silence, I felt easier because I was looking forward to a rest and hoped that there it would all pass. We drove, drove on in the darkness; it seemed to me a terribly long time. We drove into the town. The people were asleep. Through the darkness appeared little houses, the bells on the horses and the clattering of their hoofs rang out, particularly resonant, as usually is the case, near houses. Here and there began, also, to appear large white houses. And it all was cheerless. I longed for the station-house, the samovar, and rest—to lie down.

At last we drove up to a little house, with a pole. The little house was white, but it appeared to me awfully depressing, so that I was even seized with dread. Quietly I got out.

Serguey quickly, dexterously, took out the necessary things, running about and stamping on the little steps. And the sound of his feet caused me anguish. I entered a little hall. A sleepy man, with a stain on his cheek—the stain seemed terrible to me—showed us a room. It was a gloomy room. I went in, and still greater dread fell on me.

"Have you got a room where I can rest?" I asked.

"We have. Here it is."

A clean, whitewashed, square little room. How distressed, I remember, I was that the room turned out to be a square one. One window, with a little red curtain. A table of white birch and a sofa with curved sides. We went in. Serguey prepared the samovar, made the tea. And I took a cushion and laid down on the sofa. I must have dropped off into a doze, for when I opened my eyes there was no one in the room, and it was dark. I was again as awake as I was in the carriage. To fall asleep, I felt, was a sheer impossibility. Why did I come here? Where am I dragging myself to? Why and where am I running away? I'm running away from something terrible and can't escape. I'm always with myself, and it's I who am tormenting to myself. I—that's it, only myself. Neither the Penza estate, nor any estate will add to or take away anything from me. And I, I—am weary of myself, unbearable, tormenting to myself. I want to fall asleep, to forget myself, and I can't. I can't get away from myself.

I went out into the hall. Serguey slept on a narrow bench, with his arm thrown down, but in a sweet sleep, and the porter with the stain also slept. I had come out into the hall, thinking to get away from what was tormenting me. But it came out after me and cast a gloom over everything. Dread, still greater dread, fell upon me.

"But how stupid!" I said to myself. "Why am I in anguish, what am I afraid of?"

"Of me," came the inaudible reply of the voice of death.

"I am here."

A cold shiver ran through me. Yes, of death. He will come, he—there he is, but he must not be. If death were imminent I could not experience what I experienced now. Then I should be afraid. But now I was not afraid, only I saw, felt that death was approaching, and at the same time I felt that death must not be. My whole being felt the need, the right to live, and at the same time death fulfilling itself. And that inner rending was terrible. I made an effort to shake that horror off. I found a candlestick with a burnt-down candle, and lit it. The red flame of the candle and its size, a little less than that of the candlestick, all told the same tale. There is nothing in life, there is death, and he must not be.

I tried to think of what concerned me; of the purchase of my wife. There was nothing cheerful in that, it all became nothing. Everything was shut off by the terror I felt at the idea that my life was perishing. I must fall asleep. I had lain down, but no sooner had I done so than suddenly I jumped up in terror. And the anguish, the anguish—the same anguish of spirit that comes before vomiting, but a spiritual one. Dreadful; terrible. I seemed to be terrified by death, but when I remembered and thought of life, I was terrified by life that was dying. Life and death had become one. Something was trying to tear my soul into pieces and could not divide it. Once again I went out to look at the sleepers; once again I tried to fall asleep; but all the while the same terror—red, white, and square. Something was being torn, but could not be divided. It was agonising, and agonisingly dry and spiteful, not a drop of kindness could I find in myself, but only a smooth, calm spite to myself and to what had made me.

What had made me? God, they say. God. . . Pray, I thought. A long time, twenty years, I did not pray and did not believe in anything, in spite of the fact that for the sake of decency I prepared for the sacrament every year. I began to pray: "God have mercy," "Our Father," "Our Lady." I began making up prayers. I began to cross myself and to kneel on the ground, looking round and afraid that someone might see me. This, as it were, diverted me—the fear that someone might see me diverted me; and I lay down. But no sooner had I lain down and shut my eyes than again the same feeling of terror pulled at me and lifted me up. I could not bear it any longer. I woke the porter, I woke Serguey, told them to harness the horses, and we went away.

In the air, and in motion, I felt better. But I realised that a something new had invaded my soul and poisoned all my former life.

Towards night we arrived at the place. All day I struggled with my anguish and overcame it; but in my soul remained a terrible residue; exactly as if a calamity had happened to me, and I could forget it only for a time, but it was there, at the bottom of my soul, and possessed me.

We arrived in the evening. The old steward (he was vexed that the estate was to be sold) received me well, though not joyfully. Clean rooms with upholstered furniture. A new, shining samovar, a large tea service, honey with the tea. Everything was right. And, as if remembering an old forgotten lesson, I reluctantly asked him about the estate. Nothing seemed to cheer me. Yet that night I fell asleep without anguish. I attributed it to this, that I prayed again before going to bed.

And then I began living as I did before, but the fear of that anguish has hung over me ever since. I had to go on living without making any stops, and, mainly, in my usual ways. Just as a pupil repeats a lesson learnt by heart, by habit, without thinking, so I had to go on living in order not to fall again into the power of that terrible anguish that had come over me for the first time in Arzamas.

I returned home safely, I did not buy the estate—I had not money enough—and began living as before, with one difference only that I began to pray and to go to church. It seemed to me—as before; but it was not as before, as I remember it now. I lived by the interests formed previously, I kept to the lines laid down previously by previous efforts, but I no longer undertook anything new. And in those previously formed interests my share was less. Everything seemed wearisome to me, and I became devout. And my wife noticed it, and reproached me and nagged me for it. At home the anguish did not recur.

But once I went unexpectedly to Moscow—I decided to go in the afternoon, and in the evening I went off. There were some legal proceedings pending. I arrived in Moscow cheerful. During the journey I entered into a conversation with a Kharkov landlord about farming, banks, where to stop at hotels, and the theatre. We decided to stop at the same hotel, at the Hotel Moscow, in Myasnitskaya-street, and in the evening to hear "Faust."

Drama.

The Mountain: Incorporated Stage Society.
Engaged: Globe.

There is so much thought in Mr. C. K. Munro's "The Mountain," produced by the Incorporated Stage Society for two performances, that it ought to have provided a thrilling and satisfying representation. Mr. Munro, however, was more concerned with his themes than with his people. The idea of making everything uttered on the stage as colourless as the talk of politicians and revolutionaries actually absorbed in their proper functions, and at the same time trying to get action into the clash of ideas and mass impulses, might render more benefit to the art of the kinema than to that of the theatre. It is a ridiculous inversion if the stage is to sacrifice brevity and directness as well as brilliance of speech while the kinema comes to depend on smart letterpress interpolations. I am, nevertheless, too thankful to see any effort dramatically to portray the real problems of the modern world to condemn Mr. Munro's play out of hand. But whether the world will settle these problems as a consequence of witnessing them stated with nauseating dreariness and at tiresome length is not a doubtful question; it will not. It is true, and it is worth representing, although the idea belongs to the most ancient tradition, that ambition feeds on its achievements. It is equally true that the degradation of a general of extreme sadistic temper to the ranks, whatever his offence, would be politically dangerous, in that he would be sure to lead the revolution. What is not true is that he would be reduced. If his sadism led him to assault a deacon as the outcome of a challenge to perform his cruelty on something that could defend itself, he would be exiled either to Siberia or to a lunatic asylum, without any of the options of fine, reduction, or imprisonment, given to Captain Yvan.

The theme that Mr. Munro meant to illustrate, as he made clear at the end, was that freedom is impossible of attainment except by submission to the will of God. This view, of course, is counted out by the logical anarchists, who look upon submission of that kind as the meanest of submissions, and as the acceptance of the most arbitrary of tyrannies. It generally involves, in fact, submission to the interests of bad-living men in the consoling faith that they reflect the will of good dead men. The religious conscientious objector was the one man who acknowledged the law of God only, and it certainly did not win him social freedom. If freedom merely means that anyone who values neither life nor friendship cannot be compelled to accept any status he is unwilling to accept, though all the armies and police of the world be ranged against him, freedom is open to anybody who cares to take it at that price. But he cannot share it.

The Incorporated Stage Society and the producer, Mr. Robert Atkins, have rendered a service by presenting, under great difficulties, Mr. Munro's play. I hope they have taught Mr. Munro that even sermons may be too long; and that they may be longer than the patience of the people who sit in theatres, patient as they were on this occasion. But Mr. Munro, if he is willing to learn, will repay teaching.

The part of Matilda Clavering, the heroine of three divorces who had become engaged to a fourth as the only means of access to a fifth—the last the only boy she had ever loved—was not good enough for Miss Margaret Bannerman; and Miss Bannerman was not good enough for the part. If she had been able to put as much into her material as Miss Nina Boucicault put into the part of Mrs. Harraway, mother of the new fiancé, and sister of the beloved, the show, thin as it was, would have moved round her much better. The author, Mr. William Hurlbut, has paid as well as been paid for.

Miss Boucicault could hardly have been endowed with smaller means by any author. What was there to be done with the part of a mother who neglected her housekeeping for cross-word puzzles, and who had been served with a mother's ration of the witticisms? Yet she set herself between the old and new generations, and frankly, childishly, looked both ways. While retaining the decorum of the old, she evinced a bland, disarming interest in the talents of divorcees, and gave her audience a subtle impression that however frugal and conventional her life had been, her dreams could be rich and innocent. In the scene in Mrs. Clavering's bedroom, where Mrs. Harraway impulsively asks lessons from the fast young divorcee in the most up-to-date art of making up, Miss Boucicault is as intimate as Miss Bannerman is aloof. She treats her audience to a sense of clandestine mischief that brings their childhood back, with a thrill of forbidden experience and without shame. When Miss Boucicault was not on the stage the action was feeble.

LETTERS TO THE EDITOR.

THE JEWISH QUESTION.

Sir,—I have accused Major Douglas and THE NEW AGE of taking up the following attitude: That financiers are the world's tyrants; some Jews are financiers and/or some financiers are Jews; therefore, all the Jews, 13,000,000 of them, are the "protagonists" of financial tyranny. Major Douglas would also add "that the religion of these Jews inspires them with the conception of a supreme tyrannical Jewish nation, which must be eradicated."

Major Douglas's letter of June 3 is a repetition of that standpoint with elaborations.

Burke says you cannot bring an accusation against a whole people. To bring one against a whole nation when it is a political unit and independent entity in its own territory is of itself a fallacious and tyrannical outlook. The Jewish people is not even such an entity—it was destroyed as such some 2,000 years ago. As a racial unity it possesses a tradition of general martyrdom, not one of tyrannical supremacy—that is a passive qualification imposed upon its individuals.

It is impossible to say what religious conceptions any body of ordinary people possess—of metaphysical profundities about the nature of God they probably know nothing, and their practical lives are certainly uninfluenced by them, as far as they are aware.

As for the statement that the group "conception of society is inherent in all forms of Jewish thought" the omniscience of the all is appalling, particularly when the proof consists of the unauthenticated declaration that "it governs their practice with regard to marriage." It is common knowledge that Jewish family life is in general exemplary in its happiness and unselfishness and in the efforts its members will make to assist in the development and liberation of any one of them.

Perhaps Major Douglas will produce the passage and the interpretation which show that the Rabbis of the first and second century A.D. perceived that Christianity held "diametrically opposite implications." That statement does not prove that the "group conception" was "clear cut" and "ineradicable" then or that it is now.

Coming to the argument that the Jews themselves must be parties to the tyranny of the Jewish and non-Jewish financiers because they benefit from their machinations, the case of Palestine is cited.

In so far as the efforts of Lord Balfour and others have helped to bring a little peace to persecuted human beings they deserve the gratitude of all humane men and women. But the Jews have suffered and are suffering exactly as other ordinary men and women under the Treaty of Versailles, the coal dispute, collective Socialism, and the general outcome of the financial despotism the world over. In addition, there were more Jews massacred or ruined in 1919 in Eastern Europe by the white armies of these same financiers than the whole Jewish population of Palestine. If British statesmen were intimidated by financiers into attacking the Bolsheviks the ordinary people of the world, including the Jews, knew nothing about it—but Jews bore the brunt of the attack in Poland and the Ukraine. To the international financier, Jew or non-Jew is a tool in policy. The necessity of finding some alternative member in view of the proximity to Suez and Persian oil.

The fact that Marx was a Jew does not prove that his economic ideas are Jewish. Collective Socialism represents a stage in the evolution of economic thought before the idea of beneficent ownership and its possibilities was known. That idea is analogous to the conception of rule by a "non-immanent, separate, and anthropomorphic Jehovah"—although I do not for one moment admit that conception to be held by the Jewish masses or Jewish teachings.

To return to the charge against all Jewish thought and the notion that Jews generally are imbued with the conception of a supreme Jewish nation, the Midrash says there were seven divine powers by which God (Jehovah) created the world, and which should, therefore, provide a vade mecum for achieving world supremacy; they are: "Wisdom, Righteousness, Justice, Kindness, Pity, Truth, and Peace." Finally, Major Douglas avows himself at the outset an implacable and dangerous anti-Semite and advocates the eradication not of Jews, but of ideas he, without evidence, accuses them of. The Church also attempted eradication of the Jewish ideas—their method is the only possible one. The advocacy of the one involves the practical application of the other, and the necessary passions and prejudices are at hand now as then. The process would be accompanied by just as much economic enlightenment as the amount of religious truth spread by the Auto-da-fé. It would also take quite another 2,000 years for this crisis of conversion to be "com-

plete, final, and permanent." In the meantime the actual problem of financial control will be lost sight of, and what Mr. Brenton, in THE NEW AGE of May 13, calls "a single challenge to the miserably few agents of an obsolete financial policy," forgotten in the welter of religious controversy.

S. P. ABRAMS.

"THE MOUNTAIN."

Sir,—In THE NEW AGE of all papers! What does your anonymous reviewer mean by calling *The Mountain* a "masterpiece"? What does he mean by calling Mr. C. K. Munro a "great European dramatist"? I'll say little about the play, except that it appears to me to be inflated in conception and verbose in expression. This may be because I am sick to death of intelligent bitterness and disillusionment. And I find parlour anarchism a shabby thing. As for "self-control"—a self-control that sits at home and can't exhibit itself in revolutions, in statecraft, in any kind of external activity, is the same old miserable wish to avoid life and keep up shadow-fights and phantasies. Your anonymous reviewer might consult Nietzsche upon this point. . . . Then again, "It is no use to combat force by force." Oh, how gratefully the Bishops, Mr. Baldwin, Mr. J. H. Thomas, the League of Nations, and all the spinsters in the world will agree with your anonymous reviewer. But is THE NEW AGE the place to fire off these platitudes?

But this is not what I mainly wish to say. If your reviewer seriously thinks that he has discovered a masterpiece—what are we to do about it? Masterpieces come very rarely into existence. It would be a lasting shame upon us if we let the occasion pass without some celebration. I can't conceive that your reviewer will rest content with a bare column of appreciation. I suggest that he devotes himself for six months (which is surely not much in the circumstances) to securing international recognition for this new outpouring of genius. The best monument, perhaps, would be a World Theatre in which the new drama would be played regularly in a repertory of the World's Masterpieces. Or is it possible that he has been using those phrases, "masterpiece" and "great dramatist" in the uncritical, irresponsible sense in which *The Times Literary Supplement* uses them? Is *The Mountain*, after all, a mole hill?

ALAN PORTER.

BANK PURCHASES OF GOLD.

Sir,—In the Notes of a few issues back you said, in effect, that the Bank of England paid for its gold by a draft on itself, thereby obtaining it for nothing.

Excuse my naïveté, but I wish you would explain this. Is not a bank-draft negotiable and therefore equivalent to cash (or purchasing power), and will it not eventually be debited against the Bank?

S. M. EELLS.

[The purchase of gold by the Bank is effected by the creation of bank credit. The transaction can be regarded as an exchange of one form of credit for another. You are correct in saying that the seller of the gold now has the right to regard the Bank as his debtor to the value of the gold. But in practice this means nothing except in the hypothetical circumstance that the seller (or somebody else to whom he had transferred the bank draft) wished to buy the gold back from the Bank. This is a most unlikely contingency. In normal practice the utmost "risk" of the Bank would be to have to pay out extra Treasury Notes as a consequence of having expanded the total volume of bank-credit. But the number of such notes demanded would measure only a fraction of the value of the gold acquired, and consequently involve no risk at all in the accepted sense. The only sacrifice the Bank would be making would lie in the fact that it would not be earning interest on the bank credit paid out. That, incidentally, is one reason why the American Federal Reserve Board regards its huge holding of gold more as an evil than otherwise.—Ed.]

A HERETIC'S WORD-BOOK.

Sir,—The Note under "Freethought" is very clever, although it lacks the essentials of truth, but what is "A. N." going to do about the Freethought that has no use for old economics and has enough mental vigour to view with hope the dawn of Social Credit ideas? Please implore him to think it out, and in so doing he may find that Dionysus is no respecter of persons theological, pedagogical, ecumenical, economical, or plain ordinary people who like an egg for their tea.

WILLIAM REPTON.

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