THE

NEW AGE

INCORPORATING "CREDIT POWER"

A WEEKLY REVIEW OF POLITICS, LITERATURE, AND ART.

No. 1657] NEW SERIES Vol. XXXV. No. 7. THURSDAY, JUNE 12, 1924. [Registered at the G.P.O. as a Newspaper.] THREEPENCE

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NOTES OF THE WEEK.

OWING to the holiday, these Notes have to be written a week before our publishing day. This is merely to explain why, if such happens to be the case, they omit reference to any outstanding development which may occur in the meantime.

* * *

Mr. Wheatley's Housing Scheme, so the *Daily News* tells us, was "badly battered" in the second day's debate. However, as we have recently remarked, any opposition can easily batter any scheme which is going to be financed under the existing rules of the City. Moreover, we are not sure that Mr. Wheatley had not planned to receive a "battering"—if such a term be held to refer to intensity of criticism. We, of course, have in mind his provocative analysis of the cost of a £500 house. Labour, materials, and land together accounted for 3s. 3d. a week, whereas interest absorbed 6s. 6d. a week. Naturally, Mr. Neville Chamberlain fastened on to this, asking what was the point of the calculation, and challenging Mr. Wheatley to say whether he thought no interest at all ought to be charged. Other speakers in the debate made the inevitable announcement that "les petits" and "les humbles" (as M. St. Père, of Canada, would say) depended in large numbers on receiving a reward for their saving in the form of interest. What a multitude of economic "gaffes" are covered by the widow and the orphan, to be sure. Although we are not impressed by the inference which Mr. Wheatley intended his own supporters to draw from his analysis, we are not sorry to see the subject of interest become the peak of a Parliamentary discussion. It turns eyes in the right direction, and therefore heightens the probability that when the idea of successfully attacking the levy of interest charges on borrowed money is seen to be impracticable, there will be a disposition to inquire further into the question whether money need be borrowed by a Government at all. We appreciate the force with which that 6s. 6d. per week will strike the receptive hearts of reformers, and that makes it all the more necessary to repeat now that the basic cause of the country's apparent inability to "afford" this or that scheme is the disparity between present aggregate price values and aggregate private incomes. Even the entire abolition of interest charges would leave that disparity unchanged; all that would occur would be a redistribution of the community's *inadequate income*. We hope that reformers everywhere will not go chasing about after this pink herring. It has been cured specially to deceive sociological epicures, who love a new scent.

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While the politicians were preparing the New World for their constituents, the constituents themselves were all busy, each trying to prepare one for himself—and, let us add, herself—a New World out of the chances of the Derby. Mr. Wheatley got his financial resolution, but who cared? That day Epsom was everyone's spiritual home, for the good and sufficient reason that somewhere, and at least somebody, would be raised into temporary affluence through some horse there. Anybody might "make a bit." So Parliament had to stay on the kerb while the crowd surged by. Not the "ins" or "outs," but—the Downs! There's a moral here for searchers after a popular election programme.

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The "unofficial" strike on the Tubes is another instance of the same sort of attitude. It is a reminder that the average human being joins an association for his own health, not for that of officials. In this case the integrity of trade unionism as an institution is seen to be of far less moment as a motive of association than the "dividends"—i.e., adequate wages—that it is supposed to earn. The Communists are supposed to be the malign influence behind this sectional strike, but if the inference is intended that the strikers would have remained contented but for the Communists, it is wrong. If a body of shareholders yell when a dividend is "passed," one does not seek the reason by an inquiry into their political beliefs, he assumes that the ebullition of feeling is elicited by the passing of the dividend—that, and nothing else. And such an assumption is all the more probably correct if it happens that the directors of the concern do not happen to have volunteered to forgo their fees. The Communist is a disgruntled shareholder. Whatever his ultimate aims are is irrelevant to the fact that he voices a grievance, and a real one. And where are the directors of the concern now in question? Messrs. Cramp, Bramley and Bromley are in Vienna looking after the internationalising of

the trade union movement as an institution. All very spacious and inspiring, only no cash is being produced. And we also learn that when Mr. Cramp gets back home, his first job will be to go to Glasgow to inquire why a Communist happened to be put up as the Labour candidate for the Kelvingrove constituency at the recent by-election. He need not hurry home to find that out.

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"You can have the money for this if you want it, but if so you won't get it for something else." Thus Mr. Snowden, in opposing the removal of the age-limit in the Pensions scheme. He has quickly encountered the first batch of "raiders" whose "staving off" was contemplated at the recent bankers' banquet. His argument was quite unanswerable, however, granted the financial premises on which he conducted it. And, of course, all the raiders do grant them. The condition of millions of people, he said, was deplorable, and if we were going to be unnecessarily generous to this section we should be putting an extra burden of taxation upon millions of people who were in no better position. Then, again: "I cannot consider this question without reference to that (the Government's forthcoming amendment to remove the thrift disqualification from the Old-Age Pensions Act). The two have an intimate bearing." It is all so sound and simple, the amount of money in existence is limited, and if it cannot be increased without creating extra debts and costs, you have to do the best you can on what there is. You would like to have more in your hip pocket? Very good, but you must take it out of your trousers pockets. And the members of the parties all say to each other "Verily, this is wisdom, brother!"

* * *

Our readers will recollect the correspondence which passed between Major Douglas and the present Prime Minister on the question of the Capital Levy last November and December, and that one of Major Douglas's points was in these words: "That, in spite of the fact that considerable amounts of War Stock have been disposed of to the public outright, by or on behalf of the banks, probably 75 per cent. of the total debt is still held directly by the banks, or is hypothecated by them as securities for further overdrafts, which would be paid off on the redemption of the stock. If you grasp the significance of these statements, which are, I think, quite incontrovertible, you must also be aware that at least 75 per cent. of the proceeds of the Capital Levy which you propose would be merely a transfer from individuals (since the Levy is on individuals, not on corporations) to the cash and loan credit accounts of the joint-stock and other banks, and that the only commercial use to which this money could be put, under existing arrangements, would be either to embody it in invisible reserves, or to make it the basis for a fresh series of loans which, in their turn, would have to be repaid. In other words, in respect of about £2,300,000 of the £3,000,000,000 Levy, the money would be taken from individuals who are consumers, and given to the banks as a reward for their appropriation of public credit during the national emergency of 1914-1918." Quite recently Mr. Asquith has been encouraging the idea that a Capital Levy might be attempted on the basis of a voluntary arrangement, whereby the Government might give the option to persons who were in a position to do so to hand over such parts of the debt as were in their possession in return for a certificate of comparative exemption or reduction in the payment of income tax for a period of years. Commenting on this on May 29, the *Glasgow Herald* said:—"The financial and business community were naturally interested in the (Mr. Asquith's) suggestion, and the statement that of the total National Debt, which aggregates about £7,700,000,000, only some £2,300,000,000 is in the hands of private investors. This is stated to be a calculation by competent experts. . . ." Our reason for reviving Major Douglas's commentary in this connection is that when he issued it there was a great deal of doubt expressed in regard to this very question of the proportionate holding of War Debt as between the banks and the public. It is therefore interesting to note that the difference between his estimate then and that of the experts now is only a difference between 25 per cent. and 31 per cent. as the public's share of the total debt.

* * *

Apart from the approximation of these estimates, the significance of the appearance itself of the experts' calculation in the Press should not be allowed to pass unobserved. What is of importance is not whether Major Douglas, with so much less confidential information to guide him, arrived at the right figures, but the fact that his way of approaching the whole subject should have been followed by a responsible statesman. Somebody must have put the experts on to work these proportions out. Why? We shall see if we wait. And even if the immediate purpose should not turn out to be very encouraging from our own point of view, this episode will nevertheless have afforded an illustration of the influence of Social Credit thought in high politics. Of course, the Social Credit Movement will receive no public recognition, whatever action may be taken along the lines of its policy. Trade Marks get rubbed off all new ideas—except when the latter turn out to be bad ones.

* * *

"It is quite evident," says the *Daily News*, "that there is a growing resentment among Parliamentary representatives of all parties against the modern persecution of the electoral questionnaire. . . . "It is an undoubted nuisance, the remedy for which is in the hands of the candidates themselves, . . . but if the opposing candidates in every constituency would agree not to make any definite promise to purely local or sectional or cantankerously eccentric interests the persecution would soon cease without loss to the chances of the respective candidates." But why limit the dignified silence to "cantankerously eccentric" demands? Why not to all of them? For it is on the major, not the minor, issues that political promises most flagrantly break down. Everyone will agree that the fundamental demand of the electorate is for a higher standard of living for all of them. It votes for candidates in the hope of getting it. The candidates accept the votes on the implied promise that they will get it for them. "The result," as the *Daily News* puts it, "is often awkward for their reputation for good faith, as more than one distinguished member of the present House has reason to know." Apparently, the idea is that the making and breaking of promises *en masse* is all right. Where all are culprits there are none, and no individual member risks his seat. And besides that, the more widespread the failure to deliver the goods, the more "eccentric" becomes the request for them. The final conclusion is that the whole electorate is "sectional." Therefore, make it no promises.

Question Time.

A. E. Q.—I.—What is the proof that credit issued for the purchase of factory plant and raw materials is (a) always, or (b) ordinarily, cancelled before it can be used for buying the resultant produce?

(Cf. "Econ. Democracy," p. 134, where money once expended in consumption is treated as if it could not be spent by the receiver for further consumables.)

II.—(a) Where, if anywhere, does Major Douglas quote with approval a statement to the effect that one credit is only cancelled by the creation of another and a larger credit?

(b) How is approval of this statement reconciled with the suggestion that lack of individual purchasing power is due to outflow of credit from the credit system being less than inflow into that system?

("Purchasing power is constantly flowing back from individuals into the credit system from whence it came, and if the outflow is less than the inflow, someone has to lose purchasing power." Credit power and democracy," p. 23, as quoted in "Labour and Social Credit.")

III.—If the statement II. (a) (above) is true, does it destroy the value of any proof that can be given in answer to Question I?

A.—I. An issue of credit for building a factory is obviously spent before the factory is ready to deliver any produce. A part goes *directly* to pay wages and salaries, and is immediately spent on consumable goods. The rest goes to pay other business houses for goods or services rendered by them *as businesses*. As soon as the credit has been so used it must then be hypothecated (earmarked; or, to be homely, wrapped up) for return to the credit system. This cannot be proved by watching the itinery of, say, any particular £1 note; in fact, doing so would be more likely to lead to an opposite conclusion, for one can visualise such a note travelling along a whole row of shops in successive purchases. Perhaps the clearest way to express the truth is to say that for every £1 received as *revenue* by an organisation there must be £1 repaid into the credit system somewhere and by someone. If not, industry is not fulfilling its arrangements with its banks. If any part of the general credit were twice used to consume goods, it would pay two prices, and therefore two costs, and therefore two debts—which involves the conclusion that industry could repay its loans to the banks and still have the money! There seems to be an idea about that just because a tradesman sells goods for say £500 which cost him £400, and thus has £100 *which has been spent once* (by his customers), and which he is now free to spend on consumable goods himself, that there is a double buying process going on. But consider retailers as a whole. *Economically* they do not get a *free* margin of money. Their costs have to cover their own consumption as well as that of their customers, but their revenue covers only the consumption of the customers. They, as it were, buy goods for £1,000, consume £100 worth, and sell £900 worth. Therefore, not a part, but the whole of their takings are, as we have said, due to their wholesalers, and cannot be used for further consumption.

A.—II. (a) We haven't time to search. Can any reader oblige? The statement seems to refer to what happens along a chain of production. Take the classic saying that £1 worth of iron can be turned into £10,000 worth of watch springs. If the successive stages of such manufacture were carried on by a series of firms using borrowed credit for the purpose, each firm would, in turn, have to borrow a larger sum than the previous one, and none of them could repay its bank until the next had borrowed such larger sum to take over the semi-manufactured material.

II. (b) Credit is not the same thing as purchasing power. If you receive £1 every Monday and spend it through the week your inflow of credit is equal to your outflow. But if the price level is constantly advancing throughout those weeks you are losing *purchasing power* faster than you are receiving it. And, speaking in general, it is precisely when the *purchasing power* of credit tends to be withdrawn from the community faster than it is conferred on them that the *amount* of it issued to them must be progressively increased. There is thus no contradiction involved.

A. III.—If we have conveyed our meaning adequately in the above answers, this question does not arise.

* * *

The best statement we know on the subject involved in the above questions is Major Douglas's own, in "Social Credit," Section II., chapter I., pp. 102-3:—

"The repayment of bank loans, unaccompanied by the destruction of the article produced as a result of its creation, immobilises an equivalent body of price values, so that neither can the articles to which the prices refer be sold, nor in the case of machinery, etc., is it possible to make any charges in respect of consumption goods which are consequent on the use of such machinery, without still further increasing the disparity between the goods available still, and the money available to buy them.

"This is surely plain enough; but it has also to be remembered that this process of repayment of bank loans, is a 'chain' process, which starts with the repayment by the last business concern engaged in the manufacture of the articles, of the costs and profits incurred by the stage of manufacture immediately preceding it. If this operation be clearly visualised, it will be seen that all payments of costs of goods supplied by one business firm to another business firm for re-sale, can be assumed to be the repayment of bank credit, if the first stage in the manufacture of the goods was financed by a bank credit. But we can go further and say, that the difference between finance by bank credit, and finance from so-called capital or savings, is only one of degree and not of kind, since those very savings, as will be seen by a careful examination of the foregoing argument, had their origin in a creation of credit."

BOOKS RECEIVED.

Latitudes. By Edwin Muir. (Huebsch: New York. $2.00 net.)

The Golden Fleece. By Margaret Ormiston. (Merton Press. 2s. 6d. net.)

From Overseas. (Merton Press. Paper, 3s. 6d.; cloth, 5s. net.)

Voices on the Wind. Second Series. (Merton Press. 3s. 6d. and 5s. net.)

Nature's Way. By Reddie Mallett. (Watts and Co. 1s. net.)

The New Vision in the German Arts. (Benn, Ltd. 12s. 6d. net.)

The Little Children's Bible. (Cambridge University Press. 2s. net.)

The Children's Bible. (Cambridge University Press. 4s. net.)

The Kansan. By Mack Cretcher. (Melrose, Ltd. 7s. 6d. net.)

The Red Lacquer Case. By Patricia Wentworth. (Melrose, Ltd. 7s. 6d. net.)

The Scene that was to Write Itself. By George Dunning Gribble. Contemporary British Dramatists. (Ernest Benn, Ltd. Cloth 3s. Paper 2s. net.)

Night's Triumphs. By Ernest Osgood Hanbury. (The Vine Press, Steyning, Sussex. 4s. 6d. net.)

King James the First—Daemonologie (1597), Newes from Scotland (1591). The Bodley Head Quartos. (John Lane. Paper 2s. 6d. Cloth 3s. net.)

Robert Greene—The Blacke Bookes Messenger (1592), Cuthbert Conny—Catcher, The Defence of Conny-Catching. The Bodley Head Quartos. (J. Lane. Paper 2s. 6d Cloth 3s. net.)

Sheriff's Deputy. By G. V. McFadden. (The Bodley Head 7s. 6d. net.)

The Sealed Book of Roulette and Trente-et-Quarante. By "Billiken." (The Bodley Head. 7s. 6d. net.)

Unknown Surrey. By Donald Maxwell. (The Bodley Head. 15s. net.)

Percy Bysshe Shelley. By Henry S. Salt. (Allen and Unwin 3s. 6d. net.)

Lectures to Teachers. By Rudolf Steiner. (2s. 6d. net.)

Atlantis and Lemuria. By Rudolf Steiner. No price given. (Anthroposophical Publishing Co.)

The U.S.E.

To quote again the words of that eminent Japanese who in 1919 said, "Only one more such war is needed and Europe will have committed hara-kiri," is to repeat a platitude almost as trite and hackneyed as the New Zealander on London Bridge. But who wants a Cyrano de Bergerac to say something new or brilliant about our long nose? It will not make the slightest difference to some four million wretches in London when a kind invader sizzles them up with his death-ray.

Like the Carthaginians of old they may say to him: "Do not defile your reputation by an act so horrible to do and to hear, and which you will be the first in all history to perform." Whereupon the kind invader will answer like Censorinus: "This is a matter of the common good, yours even more." And he will death-ray four million helpless and innocent human beings. Think of the glorious results! No future Dean Inge will have to lament the drab ugliness of the East End; in time the fair country-side of Essex will take its revenge on the jerry-builder and the jungle will grow over the high-roads. There may even be bluebells in what is now Lombard-street, and Victoria Station may become a tangle of ivy rivalling with that of Fairlight Glen.

Of course, there will be survivors in England. They will combine with all the loyal Britons dwelling in lands beyond the seven seas, and a few years after the sack of London the capital of the kind invader will likewise be death-rayed or perhaps, better still, de-oxygenated. The Downfall of the Occident will have begun in earnest and homo pugnans (who labels himself sapiens), after having turned Europe into a jungle will have to find another bear-garden on this great globe.

Really, we cannot go on like this for ever. Someone has to put a stop to this European madness. Common sense—good, sound, British common sense—must and shall prevail.

In front of Buckingham Palace, at the foot of Queen Victoria's statue, there can be seen two figures, a youth with a torch and a maiden with an olive branch. Wisdom and peace are the gifts of the British Lion who accompanies those fair figures. Well, let the British Lion face Europe and roar, "Enough of this tom-foolery!" Or, since such language may befit lions but not diplomats, let the British Government convene a conference to devise a system, a method of European government—some kind of government, be it as light as gossamer. It will be better than none, ten thousand times better than the present anarchy. And since no one human brain can evolve such a system unless it be that of an Alexander or a Napoleon built on brute force—I am afraid it has to be a conference! True, we have had our surfeit of futile European conferences, but this conference on Europe is a question of life and death. It must be held.

The European problem is capable of a solution, despite cultural differences, despite the language difficulty. A solution of the European problem is, in my opinion, within the radius of probability, provided the best historians, geographers, and economists set to work with frank honesty and good will. But I fail to see a possible solution of the wider problem in the immediate future. I can imagine France and Germany co-operating in the government of Europe, whilst I simply cannot picture to myself the U.S.A. and Japan at present in harmony on terrestrial questions like that of immigration and kindred subjects. Let us, therefore, attack the easier problem first and get another "Experts' Report" indicating a method, a system of government for Europe! However light and invisible this government will have to be at first, it will be a beginning.

If the British Government were to convene such a conference to be held in London, there might at once be aroused, here and there, national jealousies and fears of a bid for British supremacy in Europe. Let Athens therefore be the place! Athens is the oldest seat of learning in Europe; it is its intellectual cradle. Athens is dear to all good Europeans.

The Archbishops of Madrid and of Canterbury may differ in their religious views, a Luchanarsky and a Trevelyan in their educational ideals, our Prime Minister and Signor Mussolini may have different political aims; but they all agree that Europe owes its intellectual life and its very name to Greece; they all accepted the priceless inheritance of ancient Greek culture; and they all will admit that in Europe the Greek ideals of beauty are supreme in the realms of poetry and sculpture, and the ideas of Greek philosophy supreme in the realms of thought. Therefore Athens should be chosen as the meeting-place of the conference. Here all the European delegates, of whatever nationality, will feel they are at home, for here is the birthplace of all that which they have in common. Whether Roman Catholic or Freethinker, whether Royalist or Republican, whether Marxian or Macchiavellian, each will acknowledge this one thing—that Greek ideas and ideals are the link between them all. Neither Roman law nor even Christianity has swayed and is swaying all educated Europeans to the same extent as Greek culture. This is what they all have in common and what they all cherish, regardless of any national, political, or religious idiosyncrasies.

That such a conference be convened and that it be held at Athens are the only definite suggestions I should like to make. Apart from them, it is, I repeat, beyond the powers of any one man to work out the details for a framework of a European Government. It will have to be the business of great experts to hammer out these details. These men will have to consider many points: Whether there is to be a President at the head of the European Government? Whether he is to be chosen in turn from all the nations? Whether one or two Chambers of Deputies or merely a Board of Advisors are to co-operate with him? Whether Athens is to become the Capital of Europe, the Hague the seat of the Supreme Law Court in Europe? Whether the Colonies, Dependencies, and other extra-European possessions are at present to continue to be governed by individual nations, but ultimately—perhaps in two or three generations' time—to be pooled? Whether there is to be a separate international European Army or Air Force, or merely a concordat between the existing, but reduced, national forces to support the Central Authority? etc., etc.

Probably a few small "pocket-handkerchief" States may have to be scrapped. Every supporter of the competitive principle prefers a number of small but efficient shops to a few huge monster stores; but even he has to concede that if the small shops multiply recklessly, chaos and ruin are the inevitable result. And since 1914 the number of European States has been doubled!

The question of sanctuary will have to be considered. At present England, Switzerland, and Holland still offer an asylum to political refugees who are not exactly the beloved of their home governments. It would be terrible if there were no place left in Europe where a distressed national who did not commit a common crime might find peace. Perhaps a denationalised district could be agreed on, a place where no individual nation's writ would run, but only that of the federal central authority?

And that will lead to a discussion of the vexed question of sovereignty. How much or how little is to be given up by each European Power? At first probably only very little. But as time goes on and the beneficial economic results of a European-minded community of nations become evident, the gossamer threads of intention will gradually be strengthened until an inter-State war in Europe becomes an impossibility. All the other European States will then solidly stand together against any two would-be belligerents and enforce the will of the European Commonwealth. Apart from this wholesome restraint on war-makers the Sovereignty of each European State should remain almost unimpaired.

This restraint is as wholesome in international affairs as the restraint on murder is within every civilised State. We do not allow two rival shopkeepers to settle their differences with hatchet or gun. Why should any two nations be allowed to settle their differences by means of legalised murder on the grand scale? All the nations in Europe profess Christianity. Let them be real Christians, and not temporarily relegate to the lumber-room the Beatitudes and the thirteenth chapter of the Second Epistle to the Corinthians.

Only in this way and through the co-operation of the best minds in Europe can the work of building up a European Government become a reality. Only thus may we indefinitely, perhaps for ever, postpone the melancholy contemplations of the New Zealander on London Bridge. And when old Charon once again leaves his ferry for a jolly trip in order "to see what it is like in life and what men do in it," he will behold not just a few but myriads of those

"who have not admitted the wax into their ears, who are devoted to truth, who look keenly into things and know them for what they are."

X. Y. Z.

Bankers and Credit.

By Arthur Kitson.

I.

SOME idea of the standard of intelligence existing among financial editors and professional economists generally may be gathered from the Press notices given to the recent work of Mr. Hartley Withers, entitled "Bankers and Credit." Mr. Withers, at one time editor of the "Economist," is recognised among his fellow City editors as a leading authority on finance, and this book has been hailed as a masterpiece. He devotes considerable space to denouncing political rulers who "seized and warped for their own purposes the banking and currency systems" in this and other countries. He tells us (on p. 5) that "the politicians and officials who had charge of this country's fortunes during the contest, found ready to their hand an almost too perfect financial weapon. This weapon they took and worked, and overworked, and twisted all out of shape." Mr. Withers proceeds to describe this pre-war "almost too perfect financial weapon," which was based upon gold. He claims that cheques drawn upon our banks were always convertible into gold (p. 8). "Thus before the war all our money was gold or claims to gold" (p. 9). "This foundation," he adds, "on which the English monetary system rested was taken from under it during and after the war" (p. 9). He tells us how the patriotism of the British public in surrendering their right to demand gold was "promptly punished" (p. 10). The Government printed Treasury notes, the purchasing power of which fell considerably below that of the pre-war golden sovereigns. "The consequence of giving the Government a free hand with the printing press was that debauch of currency and credit creation which has already been referred to," etc. (p. 11). "It brought in its train a rise in prices that inflicted great injustice on all who were not able to increase their money incomes, and also upon those who had lent money at a fixed rate of interest, or had made long contracts." Our author tells us what "sound money" should accomplish, namely, it must remain fairly steady in value, and must, if possible, be convertible into the same quantity of goods to-day and a week hence, and a year hence, and 100 years hence."

Now anyone reading this chapter of Mr. Withers's book, unfamiliar with the facts, would imagine that prior to the issue of the Treasury notes this country possessed a monetary system of such a perfect nature that the level of prices was almost constant from day to day, week to week, and year to year for the past century, and that the same amount of money would always purchase the same amount of goods, and that this was due to the stability of gold. This wonderful system was, according to Mr. Withers, deliberately destroyed by the politicians on account of their printing Treasury notes. These claims are wholly false, and there is not one single fact upon which to base his assertions.

First of all the real basis of our currency in pre-war days was not gold, but the national credit. He admits, on pages 6 and 7, that £18,450,000 of Bank of England notes, and what is called "fiduciary," which he defines as "confidence money," functioned as currency, being backed, not by metal, but by British Government securities. Under our so-called free-gold market system our banks were always liable to be denuded of gold by the demands of foreign countries and, as Walter Bagehot once pointed out when our gold had all left us, the only legal currency remaining, apart from silver and copper coins, would be the Bank of England fiduciary notes. These, therefore, formed the real basis of our monetary system. *The statement that all cheques were payable on demand in gold in pre-war days, was only correct within certain well-defined limits.* It would have been impossible for anyone to have obtained any large sum in gold without affecting the rate of exchange, and, for very large amounts, gold payments would have been refused. As soon as the demand for gold became abnormal, the bank advanced the rate, and so penalised all those who carried loans and overdrafts. It has been estimated that the advance of 1 per cent. in the Bank rate cost the British public at least £100,000 per week. Moreover, whenever the demand for gold became excessive, such as occurred in 1847, 1857, 1866, and again in 1914, the gold system collapsed and the Bank was allowed to suspend its gold demands. In short, the so-called "gold basis" has been very largely a confidence game in which the public have been taught to believe that an ample supply of gold existed for the payment of their deposits on demand, but which was never more than sufficient to pay a small percentage—from 5 per cent. to 10 per cent.

In the second place the issue of Treasury notes at the commencement of the war was suggested by the bankers themselves, to save their institutions from ruin. The "almost too perfect weapon" was found to be a fraud the moment it was exposed to the strain which the mere menace of war occasioned. In the issue of January 15, 1916, the editor of the "Daily News" wrote as follows:—

> When the war came, the false bottom fell out of our banking system and we made a startling discovery. We found that the banks were an imposing fair-weather structure which tottered like a house of cards when the storm came, and only survived because in one swift hour Mr. Lloyd George gave them the security of the nation. It was discovered that behind all the appearances of strength, the banks were a fiction and the reality on which they traded was the credit of the State, yours and mine and everybody's. Gold disappeared from circulation, and there flowed forth a torrent of notes issued by the Treasury and represented nothing but the credit of the nation.

Probably the most amusing explanation of this collapse of our pre-war banking system was furnished by Mr. Hartley Withers himself in his work entitled

"War and Lombard Street," which was published at the end of 1914.

It [the financial crisis of July and August, 1914] was an unpleasant string of surprises, but it was not brought about by an internal weakness in the English banking system. The fury of the tempest was such that no credit system could possibly have stood up against it. In fact, as will be shown, the chief reason for the suddenness and fullness of the blow that fell on London was nothing else but her own overwhelming strength. She was so strong, and so lonely in her strength, that her strength overcame her. She held the rest of the world in fee with so mighty a grip that when she said to the rest of the world "Please pay what you owe me," the world could only gasp out: "But how can I pay you if you don't lend me the wherewithal?"

It is surely a novel explanation of the failure of a banking institution to claim that its inability to meet its obligations is due to its "overwhelming strength"! Hundreds of reputable merchants and manufacturers have been forced through the bankruptcy courts notwithstanding that they had sums owing to them from clients much in excess of what they owed to their creditors, but this fact has not saved them from the disgrace of the bankruptcy proceedings. The truth is that neither the Government nor the bankers could have carried on for a single day after the war had been declared without the use of the National Credit in the form of legal tender.

Pause.

By H. R. Barbor.

When the lift stopped the conversation abated gradually and expired. The half-dozen passengers, arrested thus between the skin and the bowels of London, seemed all to feel vaguely affronted that the even working of infallibility had for a brief space deceived them. For to find that a tube lift does not always complete its journey is almost as surprising as to find that an eye will not close.

From above came the quick sound of many feet. About the well sang the low note of another ascending elevator. Churruk! spoke our own, and jerked sharply downwards a few yards. Then again it stopped—this time suddenly.

A perky Jew boy hazarded a jest in a thick, hard voice. But the joke died in a disdainful silence. The pink and grey City man who had clicked his tongue angrily at the first stoppage—annoyed perhaps by the fear of a lost connection at the tube journey's end—now walked over to the gate and looked anxiously and vainly upwards and downwards. Finding no butt for his expostulation he glowered at a dentifrice advertisement.

A soignee middle-aged woman smiled encouragingly down at the little boy who accompanied her. The little boy tried to smile back, but he was puzzled.

And then Fear came aboard. The mechanism spoke again—churruk! churruk! The lift jarred faintly but did not move up or down. The Jew boy stared hard through the iron grille, the business man moved about uneasily.

All knew that Fear was aboard, though at first he loitered casually among them. Then one of the two shop-girls began to giggle weakly and painfully. Fear had chosen his first victim, and now his icy fingers were busy plucking at hidden chords in the souls of all the passengers. The Jew boy went white, the business man's plump face became suffused with blood. The little boy looked from one to another, his eyes growing wide with consternation. Only his mother seemed untouched by the mysterious Presence: she squeezed her boy's hand reassuringly, and he, with a quick movement, buried his face in her skirt. She fingered his ear fondly.

Churruk! The business man walked over to the grille and pulled at it. The giggling girl now had her head on her friend's shoulder. Her hair had come loose and hung in disorder. Her friend held her; she looked straight forward with taut, almost green lips, in a white face.

Churruk! The lift jarred and moved upward slowly—more quickly—evenly. The passengers stared round at one another, smiling feeble reassurance. When the wooden doors swung apart and no passengers got out, the attendant gaped, puzzled. Suddenly everybody spoke to him. "We've not been down." "Stopped half-way." "Let her rip." "What's the idea?"

The gates clanged to and the lift shot downwards. Nobody looked at anybody else. The little shop-girl giggled, but differently. The little boy took his mother's hand confidentially, and smiled up at her and then at the others. The pink and grey business man fumed.

They sought separate compartments on the train.

Contemporary Criticism.*

By C. M. Grieve.

II.

There is a passage in Tchehov's story, "The Wife," which runs: "I listened to the doctor, and, according to my habit, applied my usual measures to him—materialist, idealist, money-grubber, herd-instincts, and so forth, but not a single one of my measures would fit even approximately; and, curiously, while I only listened to him and looked at him, he was, as a man, perfectly clear to me, but the moment I began applying my measures to him, he became, despite all his sincerity and simplicity, an extraordinarily complex, confused, and inexplicable nature." Is not this what the majority of critics do to literature—applying their formulæ of this kind or that until the wood cannot be seen for the trees? Even with the best of them we feel as the Portuguese poet Eugenio de Castro describes himself as feeling on awaking to catch a glimpse of himself in the antique looking-glass of a Toledo hotel:—

> "Visto-me p'ra sair. . . . Porém, de lata
> Me parece êste espelho, onde o que acusa
> E do que eu sou, desafinado éco. . . .
> Das feiçones o equilibrio disparata!
> Sou eu, com todo a ar da gente lusa,
> Sou eu . . . mas eu pintado pelo Greco!"

So we never, even in the best of them, see literature itself, even with the face of this or that great writer, or under the guise of this tendency or that classification; but always . . . as painted by the critic in question, and how few of these have been El Grecos! Echoes out of tune, the features distorted! That is just how I feel about them. I give a glance along one of my book-shelves. Is it Seifert's knack of apt and unhackneyed judgments on writers so diverse as Sova, Hviezdoslav, Cankar, Nazor, Krklec and Vazov—in his "literatur-geschichte der Cecho-Slovaken, Sudslawen und Bulgaren"—or the essays of Chrazonowski on Sienkiewicz, Zulawski on Przbyszewski, or Kallenbach on Maria Konopnicka, say, in Dr. Stanislaw Lam's "Polska literatura Wspolczesna od Roku 1897 Do Chwili Bieracej"—or the arbitrary and paradoxical "leg-pulling" dicta of Herr Edschmid in his "Das Bucher Dekameron (eine Zehn-nächte-tour durch die Europaische Gesellschaft und literatur), e.g., his description of Francis Jammes as "the finest tenor voice in France"? They are all very erudite and very clever—but! Or, as Susan Glaspell (along with Eugene O'Neill the most important of contemporary American dramatists) puts it in "Bernice":—

> Margaret: . . . We give ourselves in fighting for a thing that seems important, and in that fight we get out of the flow of life. We had meant it to

* "Latitudes." By Edwin Muir. (Huebsch. $2.00.)

> deepen the flow—but we get caught, I know people like that. People who get at home in their fight—and stay there—and are left there when the fight's over. . . . You write so well, Craig, but—what of it? What is it is the matter with you—with all you American writers—most all of you—? A well-put-up light—but it doesn't penetrate anything. It never makes the fog part. Just shows itself off—a well-put-up light. (*Growing angry.*) It would be better if we didn't have you at all! Can't you see that it would? Lights which only light themselves keep us from having light—from knowing what the darkness is. (*After thinking.*) Craig, as you write these things are there never times when you sit there *dumb* and know that you are glib and empty?
>
> Craig: Did you ever try to write, Margaret?
>
> Margaret: No.
>
> Craig: I suppose you think it's very simple to be real. I suppose you think we could do it—if we wanted to do it. Try it. You try.
>
> Margaret: So you do this just to cover the fact that you *can't* do anything? Your skill—a mask for your lack of power?

That's it. Or, as it is put elsewhere: "Did you ever see a child try to do a thing—fail—then turn to something he could do and make a great show of doing that? That's what most of our lives are like." That's what most of our critics are doing: they do things that to them seem important enough, and yet they just do *them*—they do not get to the thing they're doing them for—to literature (to life) itself. But that is just where Muir has succeeded in this book—he does, simply and profoundly, get to (not books or authors) *literature*. He has contrived to place a mirror at such an angle that we see literature itself, in perfect tune, with undistorted features—not the approximation of any artist. It is Tchehov's "clearness" before the application of "measures."

* * *

His achievement reminds me most of that of Heinrick Rickert. Both are predominantly concerned with the deeper conception of living values in the mind, the importance of life-experience. "It is equally deadly for the mind to have, and yet not to have, a system: one is therefore forced to have both," says Rickert. Compare that with Muir's statement that "to anyone who values his freedom, his grace of intellectual movement, for that is the end of freedom in thought, a truth does not become good because it has behind it all the authority of logic, and forces itself upon the mind; on the contrary, that is the strongest argument against it. All the truths which a man holds should be refutable; and he should be able, above all, to refute them himself, in order to escape from them when he pleases." Or, as he puts it further on in the same essay: "All reason leads finally to folly; there is no final reason, for reason is not final. Any theory of logic, to be valid, must therefore be born outside of logic; and as whatever is outside logic is irrational, the critic of reason must be folly. We need a theory of thought from the standpoint of folly, even if it be only to set thought free; for thought, as every modern philosophy proclaims, discovers in the end, alas, nothing but thought." It is along similar lines that it is justly declared that Idealism means a negation of liberty, the Rickertian theory a fuller and finer assertion of it. Richard Kroner's words are equally applicable to Muir: "His philosophy is an opposition to the mechanisation and materialisation of the world, a reaction against the cool mathematical precision of science, a protest against the impersonalisation and depreciation of life."

* * *

To return to the analogy I suggested last week, Professor Eddington also remarks that "in the game of world-building we lose a point whenever we have to ask for extraordinary material specially prepared for the end in view." This reminds me of Sainte-Beuve's frequent, if not constant, betrayal that he has been getting up his subject—the signs of labour in the "Causeries du Lundi"; of the *récherché* erudition of one type of critic; of the temperamental *tours-de-force* of another type; of the endless complaints that more importance should have been conceded to one writer, less to another, so-and-so deserved mention, and all the other characteristic squabbles of literary jig-saw puzzlists. I compare all this with Muir. No name-swapping, no fireworks, no literary landscape gardening with him. A recent writer has said: "In using the term genius we must make an important distinction. There is the genius who has greater sensibility than the normal man, and the genius who has a higher degree of consciousness. Wagner and Tolstoy, for instance, are geniuses whose exceptional characteristic is their sensibility. They illuminate our experience by their forcible presentation of it; they do not make it more profound. Neither Wagner nor Tolstoy impresses us as having advanced one inch beyond us on the road the human consciousness is travelling. The value of this type of genius is that it enables us to take stock of where we are: it is not prophetic. It aids perception, but it does not bestow comprehension. As a consequence, their work is done once for all. Nothing can start from them." Muir is to-day, perhaps, the only critic writing in English who belongs to the rarer type—the Einstein as against the Newton type.

To revert once more to my *Relativity* analogy. "It is probably by this time sufficiently well known that neither Einstein nor anyone else has yet been able to suggest more than three instances in which any difference between the old version and the new can be detected by experience. They diverge only near the boundaries of the universe; and since our ordinary life is so little concerned with these remotenesses, we may well be content to leave the discussion of their relative advantages to the mathematicians." But (while the differences in Muir's judgments may be seldom at variance with the judgments of the best critics of the other type in regard to this artist or that, Ibsen or Dostoievski or Nietzsche) in Muir's case it is the other way about—it is an internal infinity that is dealt with—and the differences are not on the rim, but lie right at the centre of literature—and of life. He has got closer to the truth. His essays not only illuminate our literary (and vital) experience: they make it more profound.

Music.

I believe there exists a convention that it is the height of impropriety and the greatest breach of etiquette to criticise a programme in which oneself took an active part. If this is so the convention is as absurd as those which are comprised under the expression medical etiquette whereby it is apparently perfectly right and proper that the patient perish rather than that it shall be infringed. These observations by way of prelude to some remarks upon the last concert of the Contemporary Music Centre of the British Music Society on May 13, in the charming but acoustically unsatisfactory hall of the Art Workers' Guild at 6, Queen Square, W.C. The programme consisted of the Arnold Bax Second Piano Sonata, the 'Cello and Piano Sonata of Ireland, and the present writer's own Second Piano Sonata played by himself. The Bax work I have listened to and studied myself a good many times, and each hearing convinces me that it is a bad work. The piano writing is thick and gruff, and the most effective patches in the work come straight from Macdowell. The

unanimity with which the *musicistaccii* praise it and abuse the infinitely finer "Symphonic Variations," the best large work for piano and orchestra of any contemporary composer roped in by that accommodatingly elastic adjective "British," and incontestably the best piece of piano writing of any kind by a modern Briton, is virtually a guarantee of its inferiority. The work is scrappy, incoherent, lacking in consistency of style, and wholly lacking in that "interior logic" which alone can give a work that essential cohesion which reliance on formalistic-scholastic devices can and will never give it.

This quality of "inner coherence" is possessed most strongly by the Ireland 'Cello and Piano Sonata, one of the very finest pieces of modern chamber music. The speech is absolutely sure and certain, there is no fumbling for a word, no hesitancy, and the work has a brutal directness and uncompromising forceful austerity that may well disconcert a mock-superior audience like that which assembles at these concerts, an audience palpably lacking in those higher attributes of sympathy, sensibility and understanding that mark a really superior type of audience. And, of course, they failed to give this fine work its due of appreciation. It was my great privilege to hear the composer play through the work to me in private—and he plays his part most admirably—and it seems to me to mark his most mature achievement so far. It is stark and strong, like a Saxon cross hewn out of granite, and, if it be permissible to press the simile still further, the work has much of the texture, in sound, of granite in stone. Its utter lack of the transvestitist airs and graces of so much of the music of to-day, its lack of what the unintelligent call humanity when they mean sexual appeal or worse still, pretty sentiment, will, of course, prevent it from ever becoming a popular success, or what is very nearly as bad, a concert success, all of which is merely a periphrastic way of saying that it is a work of real worth and high merit.

As for the writer's own work I cannot do better than give my readers the opinion of the authoritative Mr. Herbert Antcliffe:

> Of Mr. Sorabji's work it is difficult to speak after a first hearing, even though that hearing had been preceded by a brief reading through. Certainly it has ideas, some original, others quite commonplace, but pleasant. Equally it shows influences of older and earlier composers, not all of which are of the most healthy or helpful. It is so full of notes, of chords complicated for the sake of complication, of scales put in for the sake of brilliance and elaboration, of accents and stresses for the sake of sensation and surprise, and is so lacking in any control or balance that one can only wish that the young composer would give himself the very difficult task of writing a few simple melodies, a few common chords and easy resolutions of the dominant seventh, a few exercises that the ordinary player can attempt, so that we might have opportunities of knowing whether he has any creative ability and not merely an uncanny power of putting down the largest number of notes in the smallest possible space. If he can make himself do this there may be some hope for him as a composer.

* * *

A rehearing of "Der Rosenkavalier" caused one again to marvel at the success of this work with the pundits and the pontificating benedictions of the popelets. The work is an almost unrelieved tissue of cliche, commonplace banality, and vulgarity. The cliches and banalities are not merely feeble repetitions of ideas of older masters but they are the cliche and banality of the shop-ballad. The work has not a scrap of distinction of style, expression, or one flash of originality of thought. Its utter lack of elegance or good taste, for which latter Strauss has never been conspicuous, are glaringly lit up by the association with a quite effective libretto, which in other hands might have become a delicious masterpiece. Think what a Rossini would have done with this story! And over all that appalling splayfootedness, that peasant-like heavy-handedness, that depressing portentousness, ponderousness, and ridiculous "dramatisation" in Debussy's sense—of trivial little comedy episodes calling for the lightest of treatment! Given an ignorance of which was which, and a performance side by side of extracts from "Salome" or "Elektra" illutrating moments of the greatest emotional tension, and certain from "Rosenkavalier" at moments of high or low comedy, it would be absolutely impossible to tell which were comedy or tragedy. That strain of plebeian vulgarity, downright commonness that has never been absent from Strauss's work manifests itself ever more and more strongly with age. However, the performance itself was marvellous: it is impossible to imagine anything finer, as singing or acting, than those of Lotte Lehmann as the Princess, Richard Mayr as Baron Ochs, Delia Reinhardt as Oktavian, Elizabeth Schumann as Sophie: not even Eva von der Osten and Claire Dux sang or acted more finely. All the lesser parts were brilliantly well done and the conducting of the magnificent Bruno Walter, as always, of unfailing splendour.

* * *

Mr. Cyril Scott, like someone in "Dorian Gray," appears to have said all he had to say before he was thirty, for the best things in his programme the other day were the oldest. The string quartet was unbelievably bad, an accumulation of the worst and stalest of his tricks, the everlasting slabs, chunks of harmony, lack of texture and counterpoint, and that unpleasant flippancy of rhythm as of a pert chambermaid in moments of animation. Certain of the songs were simply and utterly ballads spiced with a few Scott harmonies, a combination suggesting winkles and Chateau Lafitte, and about as appropriate. If one *must* write ballads it is less objectionable and more honest to write a ballad that is just a ballad than a ballad that pretends to be what certain publishers call an "Art-song"—that is an ape in a tiger skin. An afternoon of boredom was slightly relieved by the admirable singing of that accomplished quatuor the de Reszke singers.

* * *

Mr. Alexander Borowsky is a pianist of quite extraordinary attainments, and at his Wigmore Hall recital gave us a remarkable exhibition of emotional, intellectual, and technical power. The Brahms Paganini Variations and the remarkable and fantastically difficult transcription for piano of three movements from Petruschka, made by Stravinsky himself, were astonishing performances. Where Mr. Borowsky is lacking is in the finer graces, the finesses and subtleties of phrasing and nuance, but when all is said and done he is certainly an artist of a very high order indeed.

* * *

The launching of what, capably and energetically organised, ought to develop into a powerful and influential institution took place recently on May 26 at Morley Hall, Hanover Square. This is the Dominion Artists' Club, designed to include musicians, poets, painters, sculptors, actors, men of letters, journalists, and writers from Australasia, New Zealand, South Africa and Canada. On its musical side it will give advice and assistance to young artists proposing to appear in London or coming to study in Europe: it will help them with publicity and concert giving, will inform inquirers of conditions in the concert world in London, and among many other important functions will warn young musicians against charlatan "professors" who swarm like blackbeetles in the kitchen of a fifth-rate lodging-house, and also against the swindling concert agents who pullulate with equal vigour. As a result of the first meeting some 150 new members have joined. The temporary address, to which anyone interested in the activities of the club

should apply, is Avenue 15, Bay E, Palace of Engineering, Wembley. Perhaps, in some ways its most valuable activity will be the discountenancing of the appearance under its guidance or auspices of any but the very best and most accomplished talent, for other than which it will have no use in concerts and recitals organised by it—and anything that serves in the smallest degree to check the flood of talentless mediocrities who are allowed to disport themselves and their simian vanity unchecked, and to hinder the recognition and progress of genuine ability.

KAIKHOSRU SORABJI.

The Theatre.

By H. R. Barbor.

THE FINANCE AND THE ART.—IV.

WHILE one may confidently predict that the establishment of a reasonable living wage will, by freeing the actor from the cramping effect of sheer poverty while engaged, and the dread of even more straitened penury when disengaged, increase his serviceableness to his craft, there is another even more effective reform that will inevitably follow the enforcement of a minimum salary. A proper trade union wage, universally applied, will clear the theatre of incompetent artists.

At present the manager can employ people to fill parts at any price, or none. The result of this is that, if Mr. A will not undertake a part at less than, say, ten pounds per week, the manager can always find Messrs. X, Y, or Z, who will go on for the part for two pounds. Conditions and competition for dates and theatres being as they are, it is not altogether to be wondered at that the manager should take the gentlemen of the tag-end of the profession rather than Mr. A. Of course, the piece is miserably played when Messrs. X, Y, and Z are engaged. Equally, of course, the state of the drama is debauched, and the ultimate prosperity of the theatres where they appear is reduced in consequence of the waning hold on the imagination of the populace of what should be a compelling and vital art. But this is not a matter of immediacy, even if it is of import to the employing manager. He has to get into a theatre with as little expense as possible. He knows the show will suffer if A does not play the part. But if he pays the A rate to his company he cannot go into the Such-and-Suchville Theatre Royal for less than, say, 55 per cent. of the week's gross takings and a certain guarantee. Now the *resident* manager, the lessee or owner of the bricks and mortar, is only prepared to give 45 per cent. and no guarantee. If our touring manager has any respect for the traditions of his calling, and love for the art of the theatre; if he is a courageous, fair-dealing and prosperous man, he will pay the A rate, snap his fingers at the Such-and-Suchville Theatre proprietor, and book other dates. *If he can get them!*

Meanwhile, a fellow touring manager will pay the X rate or the M rate, accept the 45 per cent. (playing to a profit on it at the expense of the actor, dramatist, and public), and gradually Such-and-Suchville will have nothing but tenth-rate acting—and a tenth-rate audience. Thus "dud" actors will be multiplied, and the status of employment of the actors who are worth their salt reduced. For the players, like the managers, must either conform to wretched conditions and accept less salary or be "out of a shop." Hundreds of capable and self-respecting players have given up the profession rather than conform. Thousands more have conformed, and seen their craft and the stage as a whole debased to its present pitiful level. Scores of drama companies have been driven off the road by cheap revue. Indeed the provincial stage is dying from the feet up, and the gangrene will inevitably spread till it reaches the heart and head, *unless* ———.

As an individual the artist and the responsible manager can do little or nothing. Corporately, the players can, with the assistance of the Federal Council, establish their minima of salary and working conditions. When once the manager has to pay a reasonable wage he will see to it that he gets value for his money. If he has to pay an actor five pounds to announce the waiting carriage, he will see that the announcer is a player who can announce, can open a door, can wear the costume. What we tend nowadays to overlook is that precisely the same technical accomplishment, though not to the same degree, is required to announce a carriage as to smother a Desdemona. When support playing is given its dues of credit, training and emolument, the theatre will begin once more consistently to attract an effective public.

The preliminary step to this improvment of the art of acting is the minimum wage. And the minimum wage can only be enforced by a blackleg-proof unionisation of the theatre. And here we can answer another objection of the anti-union artist. The latter often rails at the Actors' Association because the elected council of the latter is not representative of the best elements of the profession. It is asserted in many quarters that the Association is run by, or at any rate that its noisiest adherents are, unsuccessful and incapable members of the profession. While the aforesaid best elements remain aloof from its councils, and innocently antagonistic, how can the union be thus representative? But there is comfort for the quite responsible and well-meaning players who object to being organised by the "duds," to be gathered from the fact that, by establishing minimal working conditions, the "duds" are preparing a fatal noose for their own throats. For the minimum wage will prove the scourge not only of the bogus manager and inefficient theatre. It will drive the incompetent actor and actress out of the profession by the relentless and sanifying process of economic pressure.

On this point I must cross swords with Mr. Arthur Bourchier, who has vociferated at length and of late on the subject of the "titled amateur." As if a title were a bar to acting! Why we have the Duchess of Rutland's recent Press interviews to assure us that, whatever sort of a bungler Max Reinhardt may be, and however inept his London production of "The Miracle," Lady Diana (Manners) Duff-Cooper has saved New York from boredom by her assumption of the Madonna! It would ill become even maternal pride to pronounce the Lady Our Lady Withouten Peer (professionally or laically) but the duchess pronounces her Diana the Next Best Thing. And to turn from the notorious to the talented, I am sure that the possession of a title (I believe she is a Baroness by somebody or other's right) does not prevent Miss Stella Arbenina from being at once a most beautiful and most promising actress. No, Mr. Bourchier, we do not object to titled actors so long as they can act, any more than we object to well-to-do young men from the Oxford University Dramatic Society drifting on to the stage.

For the present and until, by the consent of and enforcement by, the whole body of organised players, a proper system of training and graduation is devised, the Actors' Association's motto must be "Let 'em all come—so long as they pay their union dues and draw union salary." The managers can be relied upon to obtain their quid—or five quid—pro quo of drawing power for the salary they pay,

and those who cannot "draw" will soon be drawn to another vocation.

The titled amateur who remains an amateur in the sense that he or she cannot act, will soon revert to the more facile pursuits of Society. The wealthy undergraduate will either lose his Oxford accent or his job. The snob will pupate into the actor, or he will make the round of the managers' and agents' offices in vain. And the actor will come into his own, i.e., into the theatre.

Reviews.

The Threefold Commonwealth. By Rudolph Steiner. (Anthroposophical Publishing Co. 2s.)

The premises on which the author bases this attempt to deal with contemporay social problems are not verifiable by the ordinary individual. He is one who, to borrow his own words on a different matter, "refuses to be hypnotised by the theory that it is external conditions which give the stamp to a man's life." Conventional social forms of ancient standing are as much the product, in the first place, of free human impulses as the numerous revolts which spring up against them, and the first thing to do is to understand the thoughts and impulses by which human beings, and through them events, are moved. Thus, about one half of the present volume is devoted to an analysis of "these present discontents," while the other half outlines more or less practical remedies for the conditions of which they are the cause as well as the effect. Nobody whose own thoughts and feelings have been brought into contact with the proletarian movement as a whole throughout Europe, can fail to be struck by the author's analysis of the different ways in which the new nineteenth-century metaphysics affected the different classes of the community. On the function of money in the processes of production and exchange the tenor of his writing is indicated by sentences such as the following:—

In the healthy social organism money will really be nothing but a measure of value; since behind every money piece, or money token, there stands the tangible piece of production, on the strength of which alone the owner of the money could come by it. These conditions will, of their nature, necessitate arrangements being made which will deprive money of its value for its possessor, when once it has lost its original significance. . . One result of this will no doubt be that the interest derived from any capital sum will diminish as years go on. . . .

There is only space to outline briefly the organisation of Dr. Steiner's commonwealth. Readers of Major Douglas's book, "Social Credit," may remember the passage which he quoted from the volume at present under review. It points out that, while the theory that production should be for the general consumption is unanswerable,

anyone who *fully and wholly* accepts this proposition will *not* arrive at the deduction drawn by modern socialism: *Ergo*, that the means of production must be transferred from private to communal ownership. Indeed, he will be forced to a very different conclusion, namely, that right methods must be taken for conveying to the general community that which is privately produced on the strength of individual energy and capacity.

Running through the complicated organism which is known as the "human being," there are, says Dr. Steiner, three systems separately and independently organised. The system of *nerves and senses*, with its headquarters, so to speak, in the head, the *rhythmic system*, which comprises the breathing, the circulation of the blood, and everything in the human organism which finds expression in rhythmic processes, and, thirdly, the *metabolic system*, which includes all those organs and functions of the human organism that have to do with actual matter-changes. This system may be said to have its headquarters in the region of the belly. So, says Dr. Steiner, a healthy state, in future, will consist of three, not separate, but independently controlled and organised systems; the Economic system, which will be relatively as independent of the others as the head and nerve system is in the human organism; the social and political life of the community, or "Rights system"; and, thirdly, the life of "Spiritual Culture," comprising everything that is connected with mental or spiritual life from education to inventive ideas which may ultimately express themselves in improved processes of production. In the latter system is seated the driving-force of the whole body social, just as the human being is kept moving, even kept in an upright position, by those forces of the will which we are coming to think of more and more as being connected—on the physical plane—with the metabolic processes of belly and loins. Though Dr. Steiner never seems to be afraid of tracing out his theories into details, by way of example, the "Threefold Commonwealth," which is only 147 small pages in length, naturally impresses itself on one as a stimulus to acute thinking rather than as an actual social contract incarnate. It is a sort of Reformer's handbook. Nearly all the details, at any rate at the time (1919) when it was written, had still to be worked out. That is no longer true, however, of one of the three systems, the economic, where the details have now been worked out.

Wage-Slavery. By J. K. Heydon. (The Bodley Head. 5s. net.)

This book is a well-written and persuasive plea for the exercise of personal justice on the part of employers as the means of the abolition of wage-slavery and the establishment of social justice. Wage-slavery, we are told, is due to the deliberate injustice of employers in imposing the wage-contract, retaining undeserved profits, and inflating capital. The wage-contract is unjust because "it puts a moral obligation upon the employee as to the measure of service he is to give, while the employer remains free from any moral responsibility to increase the payment." "Undeserved profits are those due to good fortune, exceptional buoyancy of trade, and the introduction of new methods." "The road to the true emancipation of the wage-slaves is to secure a share of this profit to the individual men engaged in the industry which produces it. The capitalisation of undistributed reserves is unjust because, sooner or later, it produces over-capitalisation and causes loss to innocent investors, and in particular effects a disastrous injustice to the workers by depriving them of a just share in the industry. The way out of the wage-system is co-partnership." The consumer has no place in this survey; there is no indication that the author even understands that production is only part of a circuit which requires consumption to complete it. No suspicion that the dominant factor in the economic system is the universal insecurity which accounts for 95 per cent. of the ethical weakness of the human factor; the terms of the wage-contract; undeserved profits (and undeserved failures). No appreciation that there is an actual surfeit of good will on the part of the human factor; nor that by removing the universal insecurity caused by the arbitrary operation of the credit-flow human nature will be free to express itself without economic penalty. The author develops his argument on the principle "that the heart is a better guide than the head" with the following consequences: "Workmen, in so far as they are sensible men, do not complain of being poor. If luck is against them they can accept poverty with as much resignation as any other class. Wealth beyond a frugal living cannot be claimed as a right by anybody." . . . "We are heirs to a rich inheritance; but what if we are *spending* it, frittering away in a search after wealth and comfort the splendid capacity for idealistic self-sacrifice which we have inherited from Christian forefathers." Very beautiful, very inspiring, but oh! so stupid.

Anatole France: The Man and His Work. An essay in critical biography by James Lans May.

Mr. May is an admirer of "the Master," and collaborated in editing his works, but that is insufficient excuse for producing this "appreciation" at double the price. In the fair autobiographical books which Mr. May has translated, in the opinion of Jerome Coignard, M. Bergeret, and other characters, M. France has himself revealed "the Man," and Mr. May's extracts from these are interlarded with many extremely offensive clichés: "If such we may term it—Without being a milksop, he was anything but that, Anatole France was evidently a mother's boy—As his father may have put it—We may almost say—Keen olfactory sense—A hint faint indeed, but unmistakable—A writer of some achievement and no ordinary promise had dawned upon the literary horizon—Unless we are profoundly mistaken—Or, if you will have it so—Brings to the problem all the delicate intuition of her sex—One recoils as in incredulous horror or disgust—With a vengeance what pious folk call edifying."

There are the usual illustrations; a miniature at the age of six, three of those engraved reproductions now fortunately superseded in this country, but still considered satisfactory in France, and photographs of college, study, garden, and family.

As for "his Work," M. France is something of a "violet sniffer"—John Collier, and this is what Mr. May really likes, for he considers irony and poetry are incongruous, and deprecates the "cheap crudities" and "lapses from good taste" of the satirist, but it is hardly conceivable that "le cher maître" will be pleased by the style of the speculations as his sexual experiences. In addition Mr. May is fond of allusion, and breaks into Latin at the slightest provocation—"He will come back, seo quantum mutatus ab ello," while French passages which most readers will understand are translated unpleasingly. "Babbled" should no longer be used of books—even in May.

The Cruise of the Amaryllis. By G. H. P. Muhlhauser. (The Bodley Head. 8s. 6d.)

This is the rather matter-of-fact diary of a great seaman who almost alone took a little 28-ton yawl round the world. Apart from his genius for the sea he does not seem to have been a man of great culture, varied interests, or literary ability, but the simple record of this cruise leaves one with a great admiration for the pluck, daring, and calm judgment of a very fine and likeable man. It was a great adventure. Not one man in hundreds would face such continuous strain and almost continuous hardship, and as for danger, the account of cruising in bad weather among the reefs and tide rips of the uncharted or wrongly charted islands of the East Indian Archipelago curdles one's blood. But, indeed, danger of one sort or another was ever present all through the trip. It has been feelingly said that if "they who go down to the sea in great ships see the works of the Lord," they who do it in little ships see hell.

LETTERS TO THE EDITOR.

THE FUNDAMENTAL IDEA.—IV.

SIR,—In case there should be any uncertainty, may I, in concluding these letters, at once state that the primary consideration is the new political principle "responsibility," the secondary idea that of a unity of the forces of Liberty upon this basis. Unlike "social service," the phrase "social responsibility" implies rather a duty which no free man in freedom dare omit than a favour he may. Most shirk social responsibility; yet there can be no manhood, indeed no freedom, without it. And patriotism would become a very different thing if based, instead of as hitherto on "duty," upon this principle. Men would no longer blindly obey, or be blindly exploited by, Authority, the real or apparent authority of Church, State, or party. For here, above the law of things not in themselves responsible, is the law. They would now instead stand on their own amazed feet; seek truth; and then in time, like their little-more-secure intellectual masters, risk the issue. At once we are making men. Moreover, apart from the fact that there is now, and has long been, a universal demand for the institution of this principle, what is more important is the further and more cogent fact that the existing system does not, and could not, contain it; rather must its general and inevitable acceptance involve a new system, a new civilisation, and new values literally throughout every aspect of life. At once, in turn, we are creating a new civilisation. And not only a new and a positive order of society, but we have now the spirit, the way and the material, for translating all this into new economic and other institutions. Thought alone creates, and ordered thought demands what we have now got, first things first—the spirit before the deed, the thinker before the thought.

In the old North-West we had such a society and such men, positive men and a positive society. "These," said visitors, "are indeed men!" The sole test was manhood; equality in manhood and, *pari passu*, in responsibility reigned; the whole was based on responsibility, the responsibility, at any personal inconvenience, of each to and for all. A woman's movement in such a society would have been inconceivable. Where men are, health is not far off. On the other hand, here, on the contrary, the women are instinctively, unconsciously out for manhood, to save their sons, make men of their sons, notwithstanding the fathers. The latter—repress this as we may, though all see it in their neighbours—are mechanicised, cogs in the machine, thoughtless socially, socially irresponsible, morally and mentally and spiritually unfree, creatures of propaganda and the popular picture papers, void of personality, their manhood invisible, the whole, therefore, as a whole, in every sense "C3"—degenerate, degraded,. neurasthenic, and, in their own private estimation, contemptible.

It is useless to appeal to these till they again become men. Lenin did not, nor did de Valera, Mussolini, or Zaghlul. These created the nucleus of a force which grew as the force grew, a force which in each case in some measure achieved success as against the exisiting disorder and the credit power. Groups, parties, and other associations are always in the first instance the creations of some small positive element; they then tend to succumb to a negative element; while the passive, in turn, the inert and mobile vast majority of all classes, mere "followers" who "belong to" this or that faction, become pawns in the everlasting conflict waged by the first two. Therefore, in these circumstances, there seems no reason why the liberating forces of this country should not, without resort to the understanding of the crowd, proceed in, not the same, but a similar way. Whilst, should they unite, as they should, as they could, then that fact alone, in my opinion, would spell victory.

"But, Lord, the will—there lies our bitter need,
Give us to build above the deep intent
The deed, the deed."

A. G. C.

Pastiche.

NEW WINE IN OLD BOTTLES.

BY OLD AND CRUSTED.

FIELDS FOR INVESTMENTS.

Looking round the shelves one afternoon for a comfortable "after-lunch" book, not too bulky in size and not too stodgy in matter; likewise not too valuable to be dropped on the floor in about twenty minutes and left there until tea made its appearance, I happened on an odd vol. of Swift containing some of the "Examiner" papers. Idly turning over the leaves my eye caught the following sentence:

> The wealth of a nation, that used to be reckoned by the value of land, is now computed by the rise and fall of stocks; and although the foundation of credit be still the same, and upon a bottom that can never be shaken, and although all interest be duly paid by the public, yet, through the contrivance and cunning of stock-jobbers, there has been brought in such a complication of knavery and cozenage, such a mystery of iniquity, and such an unintelligible jargon of terms to involve it in, as were never known in any other age or country in the world.

Well said, Mr. Dean, well said, but the pity of it all is that here we are, two centuries later, still suffering from the same "Complication of *knavery and cozenage*," although we have improved on the "terms" in which it is involved, and wrap it all up in high-falutin' phrases and expressions of pinchbeck virtue, with exhortations to thrift and economy backed by instigations to investments in everything except the things that would bring peace and contentment to our own people. For example: a leading weekly journal, much affected by the less disreputable members of the profiteriate, referring to Rumania, writes: "Her soil is rich, and she has vast mineral resources, which offer an excellent field for investment." So they do, without doubt, and what is to hinder her own hardy population from developing them with their own credit? As for us, is there anything wrong with Rutland, or Roxburgh, or Radnor as fields for investment? But, alas, the power here, as elsewhere, is in the hands of the controllers of investment capital, and not in the hands of the people who could consume the products of the rich soil of England if they had the chance, and how few really appreciate what an acre of good English land can produce if intensively cultivated! Cultivated? Yes. But when it comes to disposing of the product finance says, "No—nothing doing—let it rot," as I have seen tons of good fruit, merely because our silly system could not provide the poor devil of a grower with an adequate number of "tickets" in exchange for his crop. I know of one man who chopped down a valuable damson orchard that had taken a generation to establish, in a fit of fury at the prices offered him in a bumper year; not enough to pay for the labour of gathering!

Once more, after several lean seasons, there is every prospect of a plentiful harvest of stone fruit, apples, etc., but who will benefit? Not the grower or the consuming public to a fraction of the extent they might if they had any say in the "financing" of the costs of gathering and distribution. There is no side of our national life which calls so loudly for financial reform as market-gardening and fruit-growing. It is no use blaming the middleman because he happens to be the one party in the deal who invariably comes off best. It is the old story. So long as the whole cost of production and distribution is recovered in prices from the consumer there will be the usual sabotage, and every day we shall go on eating our jam—to-morrow!

TO THE WIND.

Upon the earth
At birth
In ecstasy
It dances;

Unto the sky
With mystery
In mirth
Advances!

A. CANNON.

THE SOCIAL CREDIT MOVEMENT

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* No group yet formed, but correspondence invited.

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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.

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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.)

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Cheques and Postal Orders should be crossed and made payable to "THE NEW AGE PRESS."

All communications should be addressed, Manager, THE NEW AGE, 70, *High Holborn, W.C.1.*

Published by the Proprietor (ARTHUR BRENTON), 70 High Holborn London, W.C.1, and printed for him by THE ARGUS PRINTING CO., LTD., 10 Temple Avenue, E.C. 4.