

THE NEW AGE

INCORPORATING "CREDIT POWER"

A WEEKLY REVIEW OF POLITICS, LITERATURE, AND ART

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NOTES OF THE WEEK.

We curtail our Notes this week in order, firstly to publish Major Douglas's first address at Westminster in full, and, secondly to make room for our chart of World Government, which we deal with in a special article. Next week we hope to publish Major Douglas's second address, namely, that on the international aspect of British politics in relation to Finance. These four features taken together should enable everyone to get a clear picture of the essential outlines of the world situation, and therefore to recognise with quickened understanding the meaning of future events.

For instance, a glance at the subordinate position of such a body as the Council of the League of Nations in the general scheme of world government will afford the reason why America has declined to join the League, while agreeing to join the World Court of Justice. Mr. Wilson Harris, in the *Daily News*, remarks at the end of an article on this World Court, that America has "other ways of co-operating with Europe" than through the Council and Assembly of the League. Exactly—much in the same way that Mr. Montagu Norman has other ways of "co-operating" in the government of Britain than by entering a British Cabinet or Parliament. Again, imagine Mr. Norman co-opting himself on a Parliamentary Committee for examining proposed legislation against, for instance, "direct action"—whether by capitalists or Trade Unionists—and you have a clue to the American Senate's \$50,000 vote of expenses for the American delegation to "co-operate" in the Disarmament Conference. And again, when Mr. Frank Hodges complains that the international control of coal exports is not being considered, it will be seen that he is really asking the world's financiers to remit the question to one of the "Parliamentary Committees" of their instrument, the League of Nations. The idea that Britain could deal with her coal problems by herself appears to have no place in his mind. The forthcoming London Conference between Britain, France, Belgium, Germany, and Italy,

to secure international agreement as to the regulation of hours of labour illustrates the process at work. Lastly, and by contrast, the soundness of the attitude of the *Daily News* on Anglo-American finance, will be readily appreciated. The writer of its "City News" section wants to know how far the American and British banking systems are pursuing a joint line of policy. He refers to the "tradition of silence" on the part of the Bank of England; he says that "it is nonsense to suppose that London or New York can move in free air," and argues that since the Federal Reserve Board has voluntarily specified certain points on which it has an understanding with our Bank, it has thereby "tacitly confessed to undisclosed arrangements" in respect of those other points about which it says nothing. These arrangements, he declares, ought to be made known. They certainly ought; and the *Daily News* can do no better service to this country than to keep up a continuous demand for information.

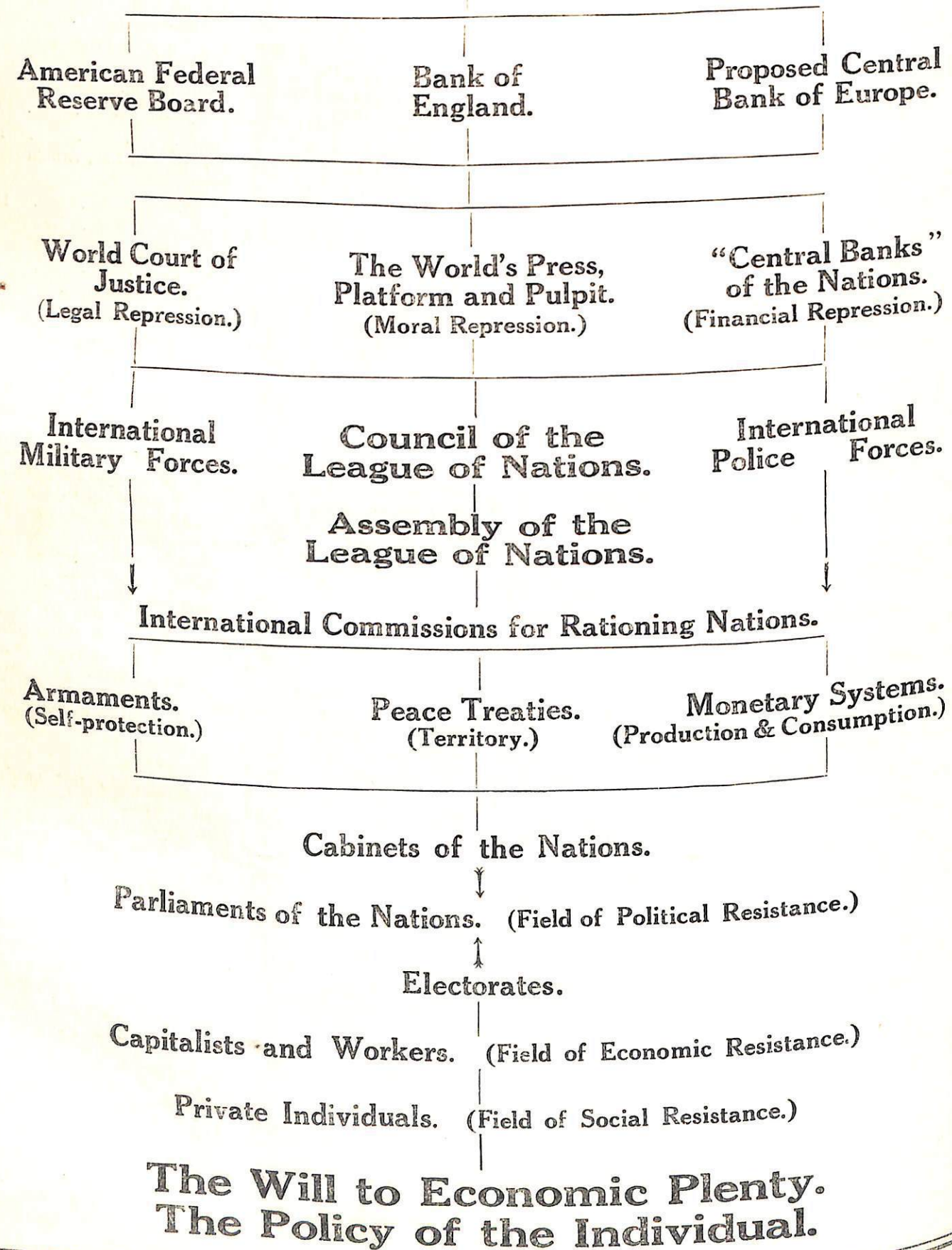
It is because British Statesmen do not control British policy that they have to break pledges. The Road Fund is a case in point. When the tax was put on motor vehicles in 1920 Sir Eric Geddes assured motor users that it was "a specific Act to assure a specific revenue for road users to be devoted to a specific object—roads." It was to be "specially safeguarded from diversion to the relief of general taxation." Where is the "safeguard" now? Swallowed up in a Churchill "Raid." We must not judge the poor politician too harshly. He means to keep his word, but someone else controls his means of keeping it. His sin is that he does not tell us so.

Germany—financially "on her feet"—1,700,000 unemployed. Austria—erect—212,000. Poland—vertical—328,000. France, financially "down and out," is economically "up and at it"—a mere 11,000 unemployed, and of these only 600 aided by the State. Apparently she makes work by sacking Finance Ministers. Ours are allowed years to "blunder through."

WORLD GOVERNMENT.

Damnation Without Representation.

High Financial Policy. The Will to Economic Scarcity.



A World Crisis.

"The tug-of-war between financial stability and economic stability seems in fact to be one of the characteristics of this formidable crisis which, unparalleled in its scope and significance, oppresses the world."—M. Caillaux, in the "English Review," February issue.

Those who were present at Major Douglas's address at Westminster on February 5 (a verbatim report of which appears elsewhere) will remember that the keynote of his remarks was the paradox pointed out by M. Caillaux in the above passage. The financial prosperity of the State does not coincide with the economic prosperity of the individual. We are without the slightest knowledge of what he proposes to say in his address on Friday, but we are without the slightest doubt that he will provide ample material from which reflective listeners will be able to widen the paradox, and to see that the financial prosperity of the world will not coincide with the economic prosperity of the State as the world is governed at the present time. Indeed, the daily teaching of the financial Press implies that conclusion. We are being told that no State can be prosperous unless it can secure a "favourable balance of trade," meaning that it must end up its trading year with more money owing to it by other States for its exports than it owes to those States for its imports. Obviously a world of States can do no such thing as an entity. The world cannot export anything at all. There is no buyer external to it, if one excepts the Man in the Moon. Therefore, if a balance of export values is a fundamental necessity, some States are already doomed to penury, or even worse. Which are they? It is to decide that question that the armament firms of the world are being kept busy; a favourable balance of trade, in the last resort, is a favourable balance of military power.

There seems to be a conspiracy of silence among Statesmen. Not one of them really faces up to his own people, and frankly tells them what the issue is. Is it that they do not know whither things are tending? Or are they aware of impending disaster, but do not know how to avoid it? Or, knowing the means of escape, are they afraid of adopting it? Whatever the answer, if these appointed trustees of national safety cannot fulfil their trust the task must be undertaken by others. We publish in this issue a rough chart which embodies our concept of world financial policy, and indicates the places of various institutions in its purposed machinery of administration. It is a policy of economic repression of the individual. It is being imposed from a point far remote from what the ordinary citizen of a country takes to be the source of the policy to which his interests are subordinated—namely the Parliament of his elected representatives. He thinks he is governed by the eminent personages who talk to him at election times. He is not. He is governed by a group of silent persons who, between them, control the credit institutions of the world. There is no magic about it. No one need be awestruck. The silence of these people betokens no greatness. Even politicians can keep quiet as soon as their loquacity ceases to bear dividends. The silence we speak of is the silence of those whose plans do not depend on their powers of persuasion. They control Money— and "Money talks"; so why should they waste breath? Nor, again, is there anything wonderful in the idea of a comparatively small number of persons having control of the world's credit. If the commodity were soap, rubber, oil, steel, or anything else concrete, nobody would have the least difficulty in believing it. But Credit—to believe it of Credit is to be superstitious! Yet reflect. It is the easiest thing in the world to control. Its creation is regulated by a mere hundred or so institutions. Its cost of production is nothing. Its cost of transport is nothing. Its cost of storage is nothing. Unlike concrete things, it does not require the co-operation of

any external institution—except the Post Offices and Cable Companies—for its distribution. Finally, it is the thing most worth while in the world to control, because everybody must have it, while at the same time everybody has renounced the right to create it. What on earth would the favoured hundred or so people who severally control the national credit systems of the world be thinking about if they did not pool their monopolies? And once that is conceded, where is the difficulty in imagining the emergence of an inner hierarchy of these monopolists? Why, it happens in parish councils, not to speak of Trade Union Congresses. We agree with Major Douglas that a theory is not less tenable because it can be plausibly categorised as a "Hidden Hand" theory. It depends upon the significance attached to the hand. A hidden hand may be simply a dirty hand—as every small boy with a strict mother is aware. There is nothing superhuman about concealment.

Someone may object that, in any case, the people who controlled the world's credit would be so enormously rich that they could not remain anonymous. But that does not follow. They certainly have the power to become stupendously rich; but they refrain from exercising it for the sufficient reason that if they did the concrete wealth of the whole world would pass into their hands—a consequence which would soon lead to a revision of principles relating to credit. You can control wealth without possessing it. This possibility is exploited widely in commercial life. A company "A" has £100 share capital. You own £51 worth of shares. You thereby control the policy of the company. This company holds £100 worth of shares in company "B," whose total share capital is £199. Company "B" holds £199 worth of shares in company "C," whose total share capital is £397. And so on in a chain, each company holding the odd £1 worth of shares which gives the balance of control over the next. Work this out, and by the time you come to company "F" you will find that your original £51 gives you the control over what is done with that company's capital of £3,169, as well as control over all the companies in between. The area of your control, it will be seen, widens in an approximately geometrical progression, doubling at each remove—a position of affairs that makes the malfeasances of compound interest at 5 per cent. look very humble fry. But that is not all. Suppose your company "A" is a bank which, in addition to its investment in company "B," has (as it would have) the power of affording (and withdrawing) credit facilities to company "F," it could, if it desired, smash that company up by calling in loans. If so the bank could now issue credit to company "E" to enable it to buy up company "F" at scrap prices; or it could refrain from doing this, in which case company "E" would get involved in the failure of company "F"; and so on back along the chain as far as was decided. A little reflection will show that in a case where the above bank and sequence of companies were the only ones in existence, nothing could prevent the bank becoming the ultimate owner of all the properties at its own price. And you, as the controlling shareholder in the bank, would have the power to decide whether this should be done; and if you did so decide, you would acquire fifty-one hundredths of those properties. Nor need you appear as the shareholder in question: your holding could be in the name of your nominee, or divided among several of them.

Fundamentally, the circulating credits of the world are a mortgage on the real wealth of the world. We have spent some time on elaborating this question of financial control because it is practically all that need be said about the chart. It shows the policy of High Finance beginning behind the visible banking systems. These systems finance such

economic activities and political institutions as further the policy decided upon. The plan of control is in close correspondence with that of national affairs. In the world plan the main instruments are, in order, the credit controllers, the Council of the League, the Assembly of the League, the International Commissions, and, lastly, National Cabinets. In our national political system the corresponding instruments are, in the same order, the Privy Council, the Cabinet, the House of Commons, Committees of the House, and, lastly, the electorate. Many secondary correspondences will suggest themselves. The World Court of Justice, the Press, and the national "central" banks fit into the world scheme as do the Law Courts, the Press, and the "Big Five" into our national scheme. In both cases they, together, exercise a three-fold control over High Policy, legal, moral, and financial. Cabinets are the lowest units in which International Finance figures its plans. These cabinets are left with the job of making the peoples acquiesce in a policy of economic abstinence. To this end they are entrusted with the control of armed force for compelling obedience. The peoples, whose policy is economic betterment, are in a constant state of revolt kept in check by fear. They keep changing their Governments. They find they have thereby only changed the form of oppression. The ubiquitous Press hypnotises them on Sunday into approving the principle of self-sacrifice, and on week-days eggs them on to visit the principle on each other.

Yet the whole imposing power of repression represented in the chart is negligible when translated into numerical terms of personnel. Behind it all there are a few hundred persons, while below it all are the rest of humanity.

There is only one feasible chance of breaking the spell—for that is what it is. To take it, some nation or other must close its ranks for the definite purpose of recovering its power of controlling financial policy. The initiative must first come from the victims of the present policy. Labour and Capital are highly organised—against each other. Let them unite their organisations against external domination. The basis, and the guarantees, necessary to induce such an alliance are to be found in the discovered possibilities of Consumer Finance as announced by Major Douglas, and explained in the columns of this journal every week.

NOTICES.

This is the last reminder of the "New Age" Dinner next Saturday. Major C. H. Douglas will preside as usual, and a number of regular contributors to this journal will be present. It will help the organisers if applications for tickets are sent in by Friday morning at the very latest.

The chairman at Major Douglas's second address at Westminster next Friday will be Mr. J. S. Kirkbride ("Old and Crusted").

Tickets for Mr. Mitrinovic's Luncheon Address next Sunday will have been despatched to applicants by the time this issue is published. His title is "The Christian Idea of Faith and the Social Credit Idea in the Light of Psycho-Analysis." Time 12 o'clock, at the Boulogne Restaurant, Gerrard-street, Wardour-street, Piccadilly, W. Tickets will be on sale at the Dinner on Saturday.

Readers who are anxious to make THE NEW AGE more widely known can do so by asking their news-agents or book-stall managers if they will distribute free specimen copies to those of their customers likely to be interested. If so we shall be pleased to supply them free of charge and carriage paid. Applications should reach us at the latest by Monday mornings, so that the necessary extra copies of that week's issue may be printed. Address:—The Manager, THE NEW AGE, 70, High Holborn, London, W.C.1.

Finance and British Politics.*

By C. H. Douglas.

(Address delivered at Westminster, February, 1926.)

I.—INTERNAL.

In addressing you upon the subject of "Finance and British Politics," I think it would be worth while devoting a few minutes to examining the meaning of the words of the title. I find on consulting an etymological dictionary that the word "finance" has two alternative derivations, one meaning "to pay a tax," and the other "to come to a settlement with." I think these meanings both have their interest, but they do not furnish the definition for which we are looking. Finance as it concerns questions such as national politics is often referred to as High Finance, and I would suggest to you as a definition of High Finance that it is the business, art, or science, of manipulating the money system to obtain political or economic results. Please note that it is not the money system in itself. The money system can accurately be described as a ticket system, and the relations between, for instance, the quantity of tickets issued and those which are automatically recovered through the price system, while of immense and even preponderating importance, since they afford High Finance its opportunities, are not those relations which correctly come under the description of High Finance. They are more or less automatic relations, and High Finance concerns itself with using this price-and-money system as it stands, to obtain varying ends. I myself, and others, have devoted a great deal of time to the money system, both in books and in speeches which have been printed, and those of you who are not familiar with that, the primary aspect of the question, might perhaps consult those publications. I think it is of practical importance to keep the conception of money systems, and the use which is made of the present money system, separate, for reasons which will become apparent as we examine the subject.

The essence, however, of the existing money system is that it creates an artificial scarcity of purchasing power on the one hand, and places the power to relieve this scarcity in the hands of an international organisation on the other hand.

Let us turn now to the second half of the title "British politics." Taking the second half of the title, "politics," it is again of interest to find that there are three words, which are allied, which bear upon it, one of these is "policy" in the sense of a plan or scheme, the second is "police," which originates from a word meaning "civil government," but has come to mean the use of physical force to enforce law, and the third is again "policy," which means a warrant for money. We are familiar with the latter chiefly in connection with what we call an insurance policy. I mention these etymological derivations for the purpose of suggesting how closely connected are the words meaning Government, and those meaning money transactions.

It is common to assume, at any rate as a convention, that British Policy is the greatest-common-measure of what would be the policy of individual Britons. One of the first points I wish to make to you is that this is not true, that it probably never was, that it is probably less true now than it ever was. The same argument can be applied to the politics of other countries, but we are not to-night concerned with these.

Now, before proceeding further in examining the divergence between so-called British Policy and the policy of the individuals who live in Great Britain, it is worth while considering certain facts. To avoid a charge of plagiarism I may say that the whole of this address was drafted some weeks before the delivery

by Mr. McKenna, the Chairman of the Midland Bank, which so lucidly emphasises these facts.

It is notorious that, with numerically few exceptions, at the present time the individual Frenchman is richer than he ever was and more prosperous than he ever was. It is notorious that in the years 1919, 1920, and 1921 the individual German was more prosperous perhaps than he had ever been, and that since the Dawes plan was applied, Germany is "on her feet," but the Germans are starving. It is said at the present time that France is financially bankrupt, just as it was said in 1922 that Germany was financially bankrupt. I mention this, not necessarily to commend either the condition of affairs in France at the present time, or those which existed in Germany before the so-called stabilisation of the Mark, but to point out that, even in the language of the Press, it is possible for there to be a complete contradiction between what is called the prosperity of the individual (and I mean by that, the prosperity of the great majority of individuals), and something which is referred to as National Prosperity. You will see that there is in fact a suggestion that the two stand on opposite sides of an account, that the State becomes rich at the expense of the individual, or the individual becomes prosperous in proportion as he escapes from the power of the State. And it is most significant that France, which has the weakest central Government in Europe, is making the most successful stand against financial domination. There is in fact strong reason to suggest that a prosperous and powerful Government, where the Government is closely connected with finance, does not by any means mean a prosperous and powerful citizenry.

At this juncture I should like to meet a probable criticism in advance. I can imagine someone saying "This is another Hidden Hand theory." Do not allow such an idea to affect your judgment of facts one way or another. Every theory of events which has any soundness must at the present time be a "Hidden Hand" theory, because events are not controlled by Voting or Parliamentary Debate, but by Finance. A theory is neither more nor less likely to be true because it appears to be romantic, nor does it necessarily involve conscious turpitude on the part of, e.g., Statesmen. If you train a man from youth, you can make him honestly believe anything, and I can assure you that there are very few "accidents" in the rise to power of public men. If you consider the influence of such men as the late Sir Ernest Cassel on the London School of Economics and the care taken to see that high permanent officials have an orthodox training, you will see how subtle this influence may be. No doubt many of you have read a short story by Mr. Rudyard Kipling, "As easy as A. B. C.," and considered it to be a brilliant flight of imagination. If there is anyone here who is familiar with the world-wide intrigue to obtain control of the Air Services of the world, and to attach them to some organisation such as the League of Nations, it will require very little emphasis to convince them that that brilliant short story was very far from being a mere flight of fancy. At the present time a much better name for the Hidden Government would be "Dollar Diplomacy," although that is by no means comprehensive.

Since the time of Cromwell, excluding the short Restoration, the financial policy of the British Government has been based on a theory of scarcity. It has been the custom in this country to suggest that, figuratively speaking, the individual only clings on to economic life by his eyelids. As time passes, I am beginning to be more and more doubtful whether this was ever necessarily true, while I am quite certain that it is not necessarily true at the present time. But if you will cast your mind back over the known periods of economic distress in this country, you will find that they are definitely traceable to

financial policy in some sense or other. For instance, a serious depression stretched from the time of the Crusades to the beginning of the Renaissance, and is explainable, I think, far better by the fact that the English nobles were all mortgaged to the Jews as a result of the Crusades, than in any other way. The Renaissance itself was specifically due to the opening up of the wealth of the West Indies, and the influx of gold and other treasure, as a result of the forays of Drake, Hawkins, Frobisher, and their confreres, combined with the isolation of British Finance from that of the Continent. The Hungry Forties were no more due to the Napoleonic Wars than the present industrial distress in this country is due to the European War. They were due to the hold which Financiers, such as the Rothschilds, obtained upon this country, and the consequent passing of the Bank Act Charter and other financial restrictive legislation; and coincided with the rise of the Joint Stock Banks and the absorption of the English private Banks, and they were relieved by the discovery of gold in California in 1848. A similar period of prosperity followed the discovery of gold in South Africa. We have just been favoured with speeches from the Chancellor of the Exchequer and the Prime Minister demanding economy. Those speeches merely justify a policy which is continuous, but which has received temporary setbacks for reasons which are easily understandable, but need not detain us to-night.

This theory of scarcity is closely allied to a financial policy of money saving or its more elaborate successor, Insurance. No one can make any pretence to an intelligent understanding of the present situation who does not recognise firstly how deeply ingrained this policy has become in the methods of the British Government, and at the same time how completely divorced this practice is from any relation to physical fact, just as those two speeches to which I have referred have no justification for their demand for sacrifice.

If I have an income of £500 per annum and I save, as the phrase goes, £100 per annum of this sum, either by the simple process of putting it in a Bank, or by the investment of it in an Insurance policy, I decrease my expenditure by 20 per cent., and I certainly provide myself with money for use at some future time. But there is no physical saving corresponding to this money saving. In fact, owing to the interconnection of the financial system with the producing system, there is probably an actual destruction of wealth due to the fact that I do not spend the whole of my income. More goods would have been drawn from the shops, more orders would have been given to the manufacturers to replace those goods, and consequently a real ability to produce more goods per unit of time would have been created, probably by an extension of manufacturing facilities, had I spent my income. But if I save my money, only one of two things can possibly happen in the world of actualities: either goods which have been produced will not be bought and will therefore be wasted, or in anticipation of the fact that I should not buy them they will never have been produced. That, I think, is an accurate description of the result of financial saving and Insurance, so far as it affects the production system. I do not, of course, overlook the immense forces which impose this policy of saving upon the individual, due to the much greater importance to him of the possession of money than the production of goods. That is merely to say that Finance has the power to impose a policy on the public, even if that policy is demonstrably anti-public in character. Notice that the effect of this is still further to reduce an amount of purchasing power which would be insufficient to buy the product, even if it were all spent.

British financial policy has become a policy of heavy taxation of the individual. Taking the present situation as being the logical culmination of this policy, a few concrete figures will perhaps put the situation as shortly as possible. Let us begin with our particular form of capital levy, the Death Duties. These range from 10 per cent. to more than 50 per cent. of the total sums devolving upon the death of the individual, and it must be remembered that while these are strictly equivalent to an individual capital levy, the sums received from this source go to swell the revenue of the current year. In other words they are a peculiar form of Income Tax ranging up to 60 per cent. Then we pay in Excise Taxes more than 135 millions sterling per annum, every penny of which goes on to the cost of the articles consumed. We pay nearly two millions sterling per annum on the matches we strike and over 50 millions per annum on the tobacco we smoke. Our motor car taxes are more than four times as heavy as any other country in the world. But it is in the Income Tax that our financiers show what they really can do, and the position is best shown by a contrast with the only other country which seriously levies an Income Tax, I mean the United States of America. In the United States of America a married man with two children, having an income of £1,000 per annum, would pay a tax of £5 5s. od. The tax under similar circumstances in England at the present rate would be from thirty to forty times as much. The taxes upon large incomes are fantastic, running up to fifty or more per cent. of the total income, where this exceeds £30,000. In the United States a married man is exempt from any tax on an income of about £500. In Great Britain he is only exempt on half that sum. Each child in the United States is the basis of an allowance of about £90 of income free from tax, in England there is a nominal rebate of £35, but owing to the peculiar way in which this is computed the allowance is really only half that. Remember that all these enormous sums have appeared in prices.

There never was a time, and there never was a country in which so-called Insurance (which if it means anything, means a defence against economic uncertainty) grew to such dimensions as exist in Great Britain at the present time. And I suppose that there never was a time, and there never was a country in which there was such a general feeling of insecurity and economic danger. I think that this feeling of insecurity is more due to penal taxation and powerlessness to resist it than to any other single cause.

We have considerably more than a million able-bodied workers unemployed; we have a high bankruptcy rate, our Railway, and especially our electric power services, are falling behind those of any other first-class power, half our shipping is laid up, and our shipyards are idle. Our housing conditions are a by-word, and it is proposed to remedy them by methods which would not be accepted on the Canadian Prairies. Three hundred thousand so-called Fascisti are preparing to start a Civil War with about a similar number of striking coal-miners, who cannot produce coal at a profit while charging the consumer twice what he paid ten years ago, and all that we can show, I think, on the other side of the ledger, is that we have 8,600 Branch Banks on most of the corner sites of the country, and the most elaborate and successful Insurance offices in the world.

Consider also the Land question, which has again come to the fore as the result of the efforts of a Statesman well known in connection with pheasants and mangold wurzels. There has been a persistent attack upon the private ownership of Land by the Liberal Party for the last hundred years. The Liberal Party (for many of whose ideas I have the greatest respect) has been consistently financed by

the Banking interests in this attack upon property, and especially in that particular aspect of it which has to do with site values. What has been the result of this attack? The answer is easy. Ninety-seven per cent. of the finest sites in this country are owned by Banks and Insurance offices, and the only reason that they have not got the other three per cent. is that for the moment they do not want them.

I am going to commit myself to a somewhat strong statement. Modern taxation is legalised robbery, and it is none the less robbery because it is effected through the medium of a political democracy which is made an accessory by giving it an insignificant share in the loot. But I do not think robbery is its primary object. I think policy is much more than mere gain its objective. I think it is most significant that every effort is made by economists of the type turned out by the London School of Economics to instil into the Labour Party that it is possible to obtain some sort of a millennium by accelerating the process of stealing. It is one of the many symptoms which make me fairly sure that there is a close connection between High Finance and the propaganda supplied to what is called revolutionary labour in every country, a connection such as has been traced between Wall Street and Russia. So far from the expression of extreme Socialism of this type being a bar to advancement in the Treasury and the great Financial Houses, it is almost a requisite to promotion.

You will quite properly feel inclined to ask at this stage of the argument: "Are you stating that the condition of affairs in Great Britain is the result of conscious policy aiming at producing the results that we see round us, or are you merely suggesting that British financiers are incompetent?" If the former, what is the ultimate object of that policy?

Taking all these matters into consideration, and having made it my business to observe the course of events in the United States of America, together with what information it is possible to glean in regard to Italy and Russia, I have come to the conclusion that we are witnessing a gigantic attempt, directed from sources which have no geographical nationality, to dispossess a defective democracy, and to substitute a dictatorship of Finance for it. I do not think public men necessarily agree with this, but I do not think they struggle very hard against it. They would not become public men if they did. The tactics which are being employed to further this policy must necessarily involve an attack upon all forms of purchasing power which are not gained by what is called work. It is a matter of no consequence to such a policy that an individual should receive high wages or a large salary. These can be taken from him at any time should he develop an inconvenient faculty of criticism. It is not even a matter of serious importance that he should acquire securities which are a basis of dividends, if by means of heavy inheritance taxes it can be ensured that he only acquires them by work of a specified kind. Given a sufficiently passive acquiescence in the policy which is imposed upon him, there is no reason why he should not be well fed and materially prosperous. But it is necessary that he should not have power until he has been through such a training as will ensure his docility to the hierarchy of Finance, and I may, perhaps, say that I think that the elimination of an independent upper middle class is an intermediate objective of that policy.

In my subsequent address I hope to show you legible indications of the working of this policy in international relationships, and the only line, in my opinion, along which it is possible to take effective action to counter it.

(To be continued.)

The Essence of Democracy.

Modern democracy did not begin to grow suddenly at any time during the eighteenth or nineteenth centuries; for, like the seed-potato, it had been sprouting in the box long before. It is not so much an ideal to be realised some day by evolution, by revolution or reform, as a tendency of society perceptible through many centuries, and particularly during the last two. During this last period of change from feudal to industrial society, certain definite principles have been in operation, tending to regulate individualism (e.g., Factory Acts) to popularise power (e.g., adult enfranchisement), and to eliminate privilege (e.g., open competition for preferments). These principles are of a political nature, and their origins can be readily traced in literature and religious history. I submit that it is these principles and their working that we understand by modern democracy.

The American Constitution, whatever its faults, was claimed and accepted, and is to-day re-affirmed, as the political foundation of democracy. The French Revolution, which followed upon lines of thought which were then considered most disruptive and audacious, was an equally powerful origin of the modern democratic movement, and it has been recognised as such by every thinker who has kept in touch with the realities of history. What has not been so generally recognised is the related fact that modern democracy consists largely of measures and reforms introduced with the purpose, and having the effect, of *pacifying riotous and rebellious peoples* during the last five or six generations. Owing partly to these facts of its origins and development, the modern democratic movement has over-dignified certain principles, and has greatly obscured others which are as vital to the health of humanity; it has popularised certain ideas as "values," which I propose to challenge in the name of those higher, neglected values which are properly called aristocratic.

But in affirming the indispensable need of *aristocratic values*, I do not excuse any aristocracies which may have failed for lack of them. The movement of the human spirit which threw up modern democracy, had to wage war upon aristocracies, and even to exterminate some of them, just to gain room to grow in. Thus we inherit a false hatred of aristocracies as such: a blindness to their meaning: a dangerous blindness to their actuality also. Government remains, as it is likely to remain, the function of a few, whether the few be men of birth and standing, men of money, men and women of leisure, or merely experts. This fact is gilded over. Yet government continues, whatever is done, to be the work of a class. Under the most widely distributed franchise, in a society of compulsory university education, where any man might nominate himself for Parliament, where the total cost of elections was borne by the public treasury, and members of Parliament fully salaried—even under such conditions as these, government would be largely the work of a class. It would tend to run in families, as it already begins to do in the Labour Party—as it does in the Liberal Party—and as it ought to do in the Tory Party.

Aristocracy, in fact, is one of the features of human society as we know it. It exists whether we approve of it or not, like any other fact of Nature. But we can become blind to it, or minimise its importance. And this has happened in modern democracy. There has been such a reiterated and persistent theoretical denial to any individuals or classes of special privilege or responsibility, that the facts have been charmed out of mind as with an incantation. The result is that, though there are still aristocrats, they do not behave, nor are they expected to behave, as such: there are dukes and princes in fact but not in spirit.

This is not an attack upon democratic idealism. It is not an effort to pull down Whitman. It is an attempt to disembarass idealism of a misleading conception. We can now see that it is misleading, and whither it misleads, for it has had its trial. Although no one might agree that England is a purely democratic country, few would disagree, from the "Daily Herald" to the "Observer," or from the nonconformist preacher to the Bishop of London, that the tendency is, and has long been, mainly democratic. Young enthusiasts may not like the social condition, economic, moral or political, of the United States, but they would not call it aristocratic. They certainly could not say that its values were aristocratic. With an almost religious conception of "democracy," they might hesitate to apply to the society of the States a word which they would rather reserve for higher things. But they could not deny that almost every step of that country's progress, from a land thinly peopled by Indians to the most prosperous place in the world, has been taken in the name of democracy. From Lincoln to Wilson, from Franklin to Whitman, the Americans have proclaimed themselves the incarnation of Democracy. It would be fantastic to say it has not been tried. It has produced a certain sort of society and a certain sort of morale: and, I hope to show, its present weaknesses proclaim the indispensability of the aristocratic values it has neglected.

Aristocracy also produces its morale, and a higher one. It is much more than government by class. In aristocratic societies it is aristocratic values that prevail. Everyone in such a society, from the throne to the town crier, tends to be an aristocrat in his way. The mediæval guilds were typical institutions of an aristocratic society, imbued with its spirit. In such society, the basis of every human relationship, from the family and the business to the Church and the State, is aristocratic in conception. That is to say, the values by which the spirit directs its course through life are aristocratic values. The precise difference between these and the values fostered by democracy is what I wish to define.

And in doing this I frankly confess that I do not specially wish to be impartial. The most urgent necessity of our time is the re-creation of loyalty, responsibility, and privilege, as the moral bases of the social life; a thing impossible while we deny the title to existence of the aristocrat. Exclusive belief in democratic values brings about their own deterioration. It threatens the deterioration of society and of the race.

RICHARD MONTGOMERY.

(To be continued.)

LAST SOLILOQUY.

I have not fled from life;
but, neither praising nor condemning,
have accepted each mood, each moment,
for its uniqueness;
eschewing regret and expectation.
I have not, like the libertine,
so dulled my senses as to miss
the finer, subtler sensation;
nor, like the saint,
neglected that contrast which is life's essence,
and denied the grosser;
but, like a true epicure,
I have preserved proportion. . . .
I have sought to run the gamut of all sensations, all emotions.
I have bared my heart to life's winds,
though it shiver in their cold:
to life's fires,
though it scorch. . . .
And now I account myself fortunate
in that I shall soon essay
that experience which no man yet has described—
the experience of death.

A. S. J. TESSIMOND.

Greek Philosophy.

(Translated from "The Gnosis" of Eugen Heinrich Schmitt.)

Just as India conceives its divine primeval Being, so we find Zenophanes and Parménides setting forth the undifferentiated primeval unity of thought, in which, as in an ocean, every surge of the varying individual forms of the sense world, the finite world, is sunk. To the Greek way of thinking on religion this formless conception of the universal life is completely foreign. Just as the Indians call illusion everything other than this undifferentiated divine calm of the universe, so, too, the Eleatic school of philosophy. Only in the world of illusion and appearance takes place the battle of those principles in which the Persian conception sees the world of reality. Light and Night, with which are joined the other opposites: Warm and Cold, Fire and Earth. The individual soul which conceives all these opposites is itself only an appearance in this world of appearance, and as such a mixture of all these elements.

The fundamental conception of Persia, on the other hand, is expressed in unmistakable and spiritualised form by Herakleitos. The original cause of all things is the etheric fire, whose all-dissolving, all-moving, all-uniting power, is therefore at the same time, and in One all-combining reason, divine life. The great illusion, the Fata Morgana of the Universal Idea, at which India and the Eleatics had stuck fast, Herakleitos with his penetrating spiritual vision saw through and resolved this great pretence, which made all who came before him appear as dreamers, and himself as the only one awakened to the light. At every moment the real is activity, manifestation, interaction, undulation of the varying forms, which crowd together, collide with one another, strain and oppose each other. This opposition, this strife, is the activity and reality of the individuals, the productive power of things, the creative power of the All. But only to the short-sighted, the limited person does it signify the Sisyphus-labour which just as purposelessly again destroys all its forms. To the logical thinker who conceives the vital connection and relation of the conflicting factors in its necessary unity, that is, conceives it thoughtfully, this surging Totality is in truth a single lofty rhythm of ever-recurring forms, eternal law, reasoned creative universal life, which in the cycle of perpetual becoming, sends forth its forms from itself, and then merges them in itself again. Thus, in the giant perspective of the universal view, the individual, the conflicting, vanishes, and we have a picture of lofty, changeless calm, although everything at every moment is all continuous motion. The narrowing of consciousness and of life means removing oneself from the primeval fire, means the condensation which leads downwards and to death. The merging in the All-life of this narrowing is the way of life, which leads to the rarefied, to the etheric, to the primeval fire, to the living All-reason, to the "Logos." The stages of the transition are represented by the elements of air, water, and earth.

To the cosmic power of *discord* which rules in the lower region, and which represents evil, is opposed the other cosmic power which leads everything back to the all-life, to the all-manifestation, to the primeval fire, to the Logos, and melts them into the primeval unity in holy fervour; and this second cosmic power Herakleitos calls the power of *love*. The world-process which, according to Zarathustra, occurs only once, this appears to the philosopher as the eternal law of the *cycle* of the world-development, as the great sport of Zeus who builds up the world times without number, ever dissolving it again in his primeval fire. The *soul of man* is a *spark* which has

come from that heavenly fire, a radiation of the all-light which covers the heavens and is for ever combined with the infinite all-dominating fire of the universal intelligence, being nourished by a continual stream from this. Like lightning through a cloud the heavenly fire of the soul flashes through the body, but there it is obscured, darkened, imprisoned. The birth of man to the life of the senses is a birth into death. Only with the cessation of the sense-life, with the return to the primeval fire, into the primeval source of the all-light, begins the true life. We shall see what importance these doctrines possess for *Gnosis*, in particular for the *manichean* Gnosis which is intimately related to the Persian doctrine.

The third great philosophic figure to which Gnosis is attached is Pythagoras. Here it is difficult to determine what has proceeded from the master himself and what from his school.

Like the Persian doctrine and, later, that of Herakleitos, the Pythagorean doctrine is that everything proceeds from the primeval, or central fire, which is called the watch-tower and citadel of Zeus. Here, too, the soul appears as an effluence from this treasury of the central light. The soul, as expression of this all-inclusive life moving in recurrent rhythm, appears as this self-moving, i.e., all-embracing, divine rhythm—as the "number moving itself" in contrast to Things, which appear only as fragments, as fractions of this world-law and world-rhythm, i.e., as a rhythm determined by something else outside itself.

Things are in this sense a system of numbers. Number has here not the meaning of our mere quantitatively similar series of units, but the Pythagorean numbers are expressly described as *dis-similar*, they have *qualitative* significance, they are definitions of the essence of reality, of active effectiveness and signify the living *union* and *separation* of the sequent factors, and at the same time the living relation of these opposing definitions to each other. *Pythagoras* himself in his mathematical conception, started from *music*, and music therefore can best illumine the mystic obscurity which shrouds his teaching. On his canon, a stretched bridge, the philosopher made the observation that the agreement and disharmony of the tones is determined by numerical relations, by relations of measurement of the chord. From this Pythagoras arrived at the great idea that just as the qualities of tone are represented by all relations of measure and number, so is the nature of all qualities of things; and that the All is really nothing else but a great harmony of these number relations, covered over by a living unity, the highest the divine unity or Monas, which alone is complete harmony, the agreement of the infinite reason with itself. Certainly it is easily understood, that the first application of this great thought (which sought to explain in the transparent ethereal light of *mathematical thought*, as living unity and relation, and grouping of measure-relations, the qualitative differences of the world of phenomena which are, to reason, so inexplicable) should at first lead to mere playing with *fantastic analogies*. From this sort of play with *fantastic analogies*, so far as it is allied with Pythagoreanism, is not quite free. The attempt to make the All, as a system of reason, clear to investigating thought, and to conceive the great series of its forms as one harmony, could not possibly be completed at one stroke. But when the natural science of our time traces the course of the stars and the groupings of the molecules to number-relations, it has only illumined with the great idea of Pythagoras a mass of material observations incomparably richer than stood at the disposal of the ancient world, and constructed its system of science on the basis of his anticipatory thought.

(To be continued.)

Christian and Social Credit Ethics.

The Dispensation of Jesus the Christ inaugurated an ethical basis of life so different in conception and in consequences from the tradition against which the Word was hurled and the Life lived, so utterly revolutionary, that the main stream of purpose in the Western world, and wherever European influence dominates, has scarcely been deflected by the nominal adoption of Christianity, but has continued to flow until this day in the deep channels of thought and feeling, law and ordinance, worn by the genius of the Children of Israel—modified a little through the centuries by Eastern and Grecian influences; disturbed now and then by men of Christian genius who exhibited a disregard of the earlier Covenant and who subjected themselves to the quite different obligations that flow from the Christian understanding of Man and the World; and gradually infused with a certain consideration for the person, which strives to subdue the essential barbarity of the structure without altering the basis. But modification of the Old Dispensation is not enough.

The tide that overwhelmed the founder of Christianity submerged the New Dispensation like seed sown in the flood waters of Eastern rivers, and the stream of tendency has scarcely more than commenced to recede and allow the hidden but germinating crop to throw up its leaf and fruit.

The New Dispensation must appear as of old, first amongst those of Semitic mind—the Occident—for they constitute the soil, as no children of the Orient can, in which the new ethic must root and grow. After the Father the Son. After the Law the Grace. After the lessons of obedience the attainment of Sonship: the sublime acceptance of individual responsibility, the knowledge of The Kingdom within.

Christianity is the announcement of cosmic Abundance; the era of the Son, by whom the unity of God is broken into myriad diversity, and to whom all the wealth of God is poured out in token of Sonship "in full measure, pressed down and running over." In two thousand years the conception of Sonship, the unbridled assertion of individuality, has rooted in the consciousness of the Western world to such purpose that the kingdom of Nature is already conquered. But the prodigality of the Son's achievement is enleashed by the law of the earlier Dispensation. The Children of Light still cower before a reluctant Jehovah. The vast conversion of the illimitable forces of Nature into form and substance by man has been achieved without conscious realisation of the era of Grace and Truth, which alone made the conquest of the earth and the taming of the lightning possible. The achievement has to be brought into consciousness, and the imprisonment of the sun's energy in all the bewildering variety of man's work upon the mineral, vegetable, animal and aerial worlds, accomplished by the intense urge of his egoism, must be continuously dispersed in multitudinous service of men, that the captive Light and Motion, held for a moment in form by the sons of men, may be again released in dim foreknowledge that they are the Sons of God, to whom all things are possible. Thus shall the eternal rhythm be restored, and the Kingdom of this World placed under the Son's feet; thus shall man be set free to grapple with the subtle kingdoms of intellect and feeling, into which the stream of his being now flows with ungoverned force, tearing him in torrential distress and calling for a concentration and strength of mastery beside which the stupendous energy already expended on the outer world is insignificant.

But if he fail to express the regal lavishness that

inflames his heart, by emptying himself of the fruits that his Sonship has brought forth in the densest sphere of his being, he cannot complete the circle through individuality back to unity on that plane, and how shall he become lord of his mind and heart?

The vehicle of the New Dispensation on the material plane is Communal Credit, the fluid by which the efflorescence of individuality is carried to its apotheosis in unity, and realises the mysterious Third Who is the fruit of unity. It is the means whereby the treasure of all men and the possession of none is returned to All.

The ethic of that plenitude is more subtle than the ethic of insufficiency. The righteousness of the New Dispensation must exceed the righteousness of the Old. The Just and the Unjust shall no longer be distinguished. Against the Sonship, anger is murder; lust, adultery. Yea and Nay replace oaths. Forgiveness cancels "justice." Enemies and friends are swept into the same blazing compassion. The least in the Kingdom is greater even than the greatest of the Old Dispensation. Christianity transfers the sphere of virtue to another plane. "He came that they might have life and that they might have it more abundantly." The rigours of the ascetic, the bondage of parent and child, are ended. The Son of Man comes eating and drinking; but it is a "loving cup" from which he drinks. Occidental man has no longer to say "I believe" but "I conceive." Belief is in his blood, deny it as he may. His Sonship is known in the nerve centres of his body, the solar plexus trembles under the New Law. His feet are clogged with clay that he calls "mine." He pitifully seeks to own, to withhold—He, through whom the whole world is convertible into what he will. But his destiny is Joy and Responsibility. "He rejoiceth as a strong man to run a race."

W. T. SYMONS.

Art.

The Arts and Crafts Exhibition Society at Burlington House (open until February 27).

The Arts and Crafts Society stands for honesty of purpose, and the practice of its members bears this out. Although only a few exhibits can be mentioned individually, it may be said that the display as a whole is one of work well and truly done. The quality of two crafts, woodwork and bookwork, seems to me to dominate the rooms, and as a nation we may be justly proud of the excellence of each.

Mr. William G. Simmonds is known as a wood-carver, but he is a sculptor in such a masterpiece as No. 140, "Horses Grazing" (in wych elm), which has the ease born of loving workmanship in an appropriate material. This is English art at its best. No. 139, "The Black Mare" (carved wood, lacquered), by the same member, is only less acceptable because its surface is not as natural. Mr. Simmonds' calf in marble (No. 138) is exotic by comparison with the other animals because Chinese carving is too well remembered.

Furniture must be tested by the familiarity of everyday use, but there are pieces the first sight of which seems to reveal right character.

In book production three essentials are legibility of text, good binding, and suitable decoration. Unless an exhibit is handled it is hardly possible to determine the merit of a book as a whole. Excellence of separate elements may, however, be studied, particularly, in five contributions: No. 226 (e), manuscript, "Flowers," a model of clear lettering by Doris Haywood Moseley; No. 228 (a), leather binding for Vale Press, "Othello," and (b) leather binding for Vale Press, "The Centaur and The Bacchante," both by Sybil Pye, stimulating examples of imaginative decoration, one in black,

brick-red, and gold, and the other in the same colours with the addition of white; No. 229 (a), wood engravings to Golden Cockerell Press, "The Song of Songs," by Eric Gill; and No. 92, metal engraving for Title Page to Nonsuch Press Bible, by Stephen Gooden. Each masterly in a different style, Mr. Gill expresses passion through the medium of rigidly controlled line and Mr. Gooden formal and dry humour through the medium of a subtler and more flexible line.

The Woven Fabrics, No. 164, by Ethel Mairet, Nos. 205 and 208 by Reginald Warner and the Gainsborough Silk Weaving Company, Limited, and No. 210, by E. A. Evans Derby, possess that welding of design, colour, and texture which makes them good stuffs. Also, the several hand-printed cottons and linens by Phyllis Barron and Dorothy Larcher deserve more than passing attention.

I feel that such crafts as I have already mentioned have passed the experimental stage, but that some others have not progressed so far.

Much of the silver and pottery gives the impression of uncertain aim. Among the former, No. 137 (e), Coffee Pot by M. E. Davies, and (g), Teapot by A. Mabel Camwell, are well shaped with unobtrusive ornament; and No. 79, Stoneware pot (bronze brown with hare's fur markings) by W. Staite Murray, marks a stage on the way to the potter's goal, the perfect fusion of fine shape and fine colour.

No. 369, Heraldic Stained Glass Panel, by Gladys Spawforth, by reason of its emphatic statement, suggests what is wanting in so much modern stained glass, the majority of exhibits of which, here, appear thin in body and poor in spirit.

There is no frailty in No. 342, Tablet in Hoptonwood Stone, with incised Roman letters, by Frederick Etchells, which in its sure delight, may be taken as symbolic of the ideals which have guided the Society since its foundation in 1888.

Memorial Exhibition of Prints and Drawings. By Francis Unwin (1885-1925). St. George's Gallery, George-street, W. (Open until February 18.)

This is a fitting memorial to the talent of a plucky Englishman, who fought against the obstacles of ill-health to express his vision of reality sanely and strongly. The emphasis of his art was towards structure of forms, and he passes from such well-balanced compositions of structure and atmosphere as the etchings No. 35, "Avignon" (1913), and No. 39, "The Municipio, Florence" (1914), to the achievement of the Maloja Set of Etchings, and to the studies of mountains (so justly praised by Mr. Campbell Dodgson in the Catalogue) in some of which he approached the force of certain aspects of modern Swiss art.

The drawing No. 26, "Cromer" (1923), shows that Unwin was moving towards a real understanding of structure and colour, the attainment of which he was, unhappily, never to reach.

Students may learn a great deal from this important exhibition.

E. H. R. C.

"Letters to the Editor" should arrive not later than the first post on Saturday morning if intended for publication in the following week's issue.

SUBSCRIPTION RATES.

The Subscription Rates for "The New Age," to any address in Great Britain or Abroad, are 30s. for 12 months; 15s. for 6 months; 7s. 6d. for 3 months.

The Inn Magnificent.

By "Old and Crusted."

"There is no private house (said he) in which people can enjoy themselves so well as at a capital tavern . . . there is nothing which has yet been contrived by man by which so much happiness is produced as by a good tavern or inn." —Dr. Johnson.

"The way also here was very wearisome through dirt and slabbiness; nor was there on all this ground so much as one inn or victualling-house wherein to refresh the feebler sort." —Pilgrim's Progress.

"Pleased with his power, the poor man loves to say
What favourite Inn shall share his evening's pay;
Where he shall sit the social hour, and lose
His past day's labour and his next day's views." —Crabbe. Letter XI. Inns.

A learned, and, for once, indiscreet priest is recently reported to have deplored the dullness and gloom of the respectable new suburbs, and commented on the absence of the innocent and appropriate remarks were distorted by the "unco' guid"—as is usual in these cases—with the unfortunate result that the reverend gentleman was constrained to explain in the Press that undue importance had been attached to casual words uttered in a jocular mood. It is a thousand pities he did not take his courage in both hands and declare roundly that the Inn was the poor man's club and that any village, garden city, or urban district, not containing at least one roomy well-stocked Inn was not fit for human habitation.

One would like to send this pusillanimous cleric a copy of *The Art and Practice of Innkeeping*,* wherein he would have found this sturdy confession of faith:—

"I reckon that no calling in the world is so capable of rendering service to one's fellow men as that of Hotel- and Inn-keeping. . . . The influence of the local Innkeeper is as full of potentialities as that of the clergy of any denomination, and they are more frequently realised."

So they are, 'owd lad. The congregation at "The Gate Hang's Well" hostelry is certainly greater in numbers and more regular in attendance than that of the parish church. Would that the dispensers of spiritual and material comfort could always work in harmony as they did on the Border in the days of my grandsire, who used to relate how the parson played the fiddle in the church orchestra, distributed peppermints from the pulpit to those whose coughing interrupted his preaching, and after service adjourned with farmer and squire to "Betty's" for a dram and a gossip on the events of the past week.

Mr. Part asserts that Innkeepers have ideals—sub-conscious perhaps—but they are there all the same, and i' faith he needs 'em if he is to master all the technical details of innkeeping and escape the manifold pitfalls laid by law and lunatics for the confusion of good Master Boniface. Let him who doubts this work his way through the 300 pages of this licensed victuallers' vade-mecum, and when he has finished he will take off his hat to mine host next time he enters the bar parlour of his favourite hostelry. As for the chapter on "Law," we might all peruse it with advantage. It is comforting to learn that "the Innkeeper cannot take the purse or the clothing from the body of the guest." On the other hand, "a tramp or a bookmaker, unusually bulky luggage," so it would be idle to roll up at the Ritz with a four-post bedstead and a chicken-run. Our author deals out good advice by the bushel. Amongst other sage counsels he urges the landlord "to keep count of the drinks each has"—'myes, by all means—"I can see old Garge counting pints in the taproom of the "Plough" on Saturday night. He wants hear him say to Billy Straw, "Billy, my lad, thou'st had six pints, and ten's thy limit; fower more and out thou goes." That sort of thing might tend to sobriety—and it might not, but I fear me that stalwart pacifist Sergeant Silas Barker would have a nervous breakdown—perhaps a physical one.

To conclude this superficial survey of the asininity of all Licensing Acts, how many of us know that it is contrary to law for the loser to pay for the table and that billiards is illegal on Sundays? Thus it is that knowledge grows and wisdom lingers.

Now if the Innkeeper have ideals let it never be said that his guests are devoid of them. Even this poor patron of bar

* *The Art and Practice of Innkeeping*. By Alexander F. Part. (London: William Heinemann.)

Revue.

"KID BOOTS."

Just as comedian has come to mean any sort of entertainer, humorous, refined, or sentimental, so comedy has come to mean any sort of entertainment; and, judging from a comparison of the shows called musical comedy with the name, it looks as though "musical" now also means any sort of music. One thing about certain musical comedies, however, ensures them a place in the heart of a notoriously compromising people, which possess, in spite of all its musical shortcomings, considerable discernment for humour. Musical comedy, in fact, is a sort of 'arf an' 'arf in which the music doesn't matter provided there is comedy, even if it is only low comedy. So let it be with "Kid Boots," at the Winter Garden. William Antony McGuire and Otto Harbach obviously have something Irish about them, a knightly strain that refuses to be beaten. It has to be admitted that their "book" did not wake up for the first scene or two, but that was probably because they did not realise at first what a big job they had taken on. Had they done so, they would probably, as would the Irishmen who propose to govern Ireland, have let the other fellows go on trying. After all the futile years wasted by Scotsmen and journalists in unsuccessful striving to extract humour from golf, with no result but a doubtful rumour of bad language, together with an unthinkable humour (seeing that the game is played mainly by business-men) of an overwhelming impulse to cheat, the writers of this musical comedy have had the Hibernian effrontery to attempt three hours or more of laughter-making on that dry topic, and to decoy Mr. Leslie Henson to act as their fool-cum-dupe-cum-hero-cum-villain. Happily they had the inspiration of staging their dry topic of golf in a dry country where even the institutions and constitutions are bursting with dry humour. Mr. Leslie Henson, sergeant-major of the caddies, drew more of his wit, if less of his farce, from the respected office of bootlegger to the members. It is wonderful how freely we English laugh when the humour is at the expense of another nation, which helps to explain why we import so many funny stories from Scotland. At any rate, I certainly laughed when "Kid Boots," after being shadowed all over the State—with the Federal officer treading on his heels—until he gay himself up, was violently pulled by the officer out of earshot of the crowd, and asked in an efficient whisper by the arm of the law if he "could do with ten cases of gin."

Another thing noteworthy about Musical Comedy is the elasticity of the plot. If the villain, hero, vamp, and fair maiden can dance, no strait-laced melodramatic sincerity may interfere to prevent their dancing a four-in-hand, in a manner convincing one that if Mozart were alive we should get a first-class musical comedy. If, again, anyone in the show can do something well the plot may be held up, or rearranged, for him to do it. A ball—which seemed natural enough in a golf-play—or a party, can be organised for him to show his powers as part of the entertainment for the guests. And if it really is good, there is no reason why we, sitting in the theatre outside, should mind the loss of the plot. Mr. Claude Hulbert in a step-dance representing a fellow getting up in the morning, shaving, bathing, and going down to breakfast, deservedly brought down the house, which insisted, in face of the embarrassed crowd of participants waiting to go on with the show, on his doing it all over again.

Musical Comedy is not opera; it is not drama; it is not art. In fact, it differs from the productions of the so-called legitimate stage in scarcely anything except that it does not pretend to be these things. What it is presents a descriptive problem that would have baffled Sir Walter Scott. It is a sort of variety show joined up in parallel, the same performers appearing in every turn. It contains love-sentimental for the adolescents, comic-farce for the children and old men, and a burlesque of social life for the disillusioned.

It is, in fact, a dose of medicine for the evils contracted from the world. Nothing is safe from being made game of—in this case Mr. Leslie Henson, under the influence of American spirits, delivered a homily on psycho-analysis to a doctor, and two sports outfitters. It is true that his confidence was maintained only by their confession that they knew nothing about the subject, but his little homily was at least far more entertaining than most of the well-known works on the subject.

Miss Bellonini looked charming in whatever posture one saw her. It was worth while to identify ourselves with the young man who wanted to marry her. The acrobatic dancer, whose name, if it was not Peggy Beatty, I cannot ascertain from the programme, gave us more lessons in efficiency than the legitimate stage has not yet mastered.

R. M.

FORTHCOMING MEETINGS.

Friday, February 12.—Major Douglas on "Finance and British Politics. II.—External," at Caxton Hall, Westminster. Time, 6 o'clock. Tickets, 2s. 6d., from W. A. Willox, 70, High Holborn, W.C.1.

Saturday, February 13.—THE NEW AGE Annual Dinner. At the Florence Restaurant, Rupert-street, Piccadilly, W. Tickets, 7s. 6d. (See advertisement.)

Sunday, February 14.—Lecture by Mr. D. Mitrinovic.

THEOSOPHICAL SOCIETY LECTURES.
Mr. C. F. J. Galloway will be lecturing on Social Credit as under. His titles are "Towards a New Social Order," and (at Folkestone) "Theosophy and Economics."

Thursday, February 25.—Maidstone, The Old Palace, 7 p.m.
Friday, February 26.—Chatham, Masonic Hall Library, Marrion-road, 7.30 p.m.

Sunday, March 14.—Folkestone, "Adyar," 58, Shorncliffe-road, 3 p.m.

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

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LETTERS TO THE EDITOR.

CREDIT AND PRICE.

Sir,—In last week's "Notes" you suggest that it would be impossible for the Federal Reserve Board to expand credit without causing a rise in prices. Well, they have apparently done so to some extent. Between May, 1920, and December, 1924, according to the statistician of the First National City Bank, net demand deposits subject to cheque increased 14 per cent., but the wholesale index fell 37 per cent. Most price raising is psychological, there being no actual shortage, and a considerable expansion of the currency against surplus stocks of merchandise would be possible but for the fear of business men that they will be left in the subsequent slump, which their greed materially helps to bring about.

GEOFFREY BIDDULPH.

[We are quite aware and have often stated that the expansion of credit is not the only factor affecting the price level. Nevertheless, the quantity of money is the largest of the universal factors in the ultimate determination of prices. Between 1912 and 1921 the increase in retail food prices in America accompanied the increase in bank loans so closely that the plotted curves of the two sets of statistics for these nine years are almost in exact register. Price raising is not psychological. The will to raise prices is; but the effective raising of them is not.—ED.]

MR. J. H. THOMAS'S "VICTORY."

Sir,—Mr. J. H. Thomas is always so 'beastly pleased with himself' (why these quotation marks?) about everything he brings off, . . ." etc. ("Notes of the Week," page 159.)

This is exactly what several of your readers say about THE NEW AGE'S repeated editorial "We told you so." It is an invalid criticism, gratification at attained success being in no way whatever reprehensible.

Whether the success itself deserves everyone's gratification is, of course, a totally different question. E. VAN LOO.

[It isn't. It is the crux of the whole question. The point of the criticism was that Thomas had succeeded in doing exactly what it was not his business to do. Your reference to NEW AGE editorials is therefore irrelevant.—ED.]

SOCIAL CREDIT AND WAR.

Sir,—For the continuance of the present financial system, war, recurrent and not infrequent war, is a necessity, seeing that without war the evils of "over-production" must rapidly grow to a degree that would be intolerable. This is accepted Social-Credit doctrine, but I have nowhere seen the simple deduction that Social Creditors of all people should be the most ardent pacifists, since if they can end war they will end the present financial system. One wonders how many of them are signing Ponsonby's Peace Letter.

ARNOLD EILOART.

[NEW AGE readers can be "ardent pacifists" without signing letters. The "simple deduction" is entirely wrong. The present financial system is itself trying to end war—in its own interests!—ED.]

THE "NEW AGE" FUND.

Sir,—May I advise any intending subscribers to this fund who find it convenient to tender their donations personally to me at the NEW AGE Dinner next Saturday that I shall be pleased to receive them on that occasion. Privately, of course. No one will be asked to give or promise donations in public, as sometimes happens at such functions. I mention this to reassure others.

W. T. SYMONS, Hon. Sec.

"THE NEW AGE" ANNUAL DINNER

AT THE
FLORENCE RESTAURANT RUPERT STREET,
PICCADILLY, W.

ON
Saturday, February 13th, at 6.30 for 6.45.
(Evening Dress optional).

TICKETS 7/6 each.

Apply to
The Manager, "The New Age," 70 High Holborn, London, W.C.1.

Readers residing in or near London are invited to offer hospitality for visitors during the week-end. The latter, in their turn, are invited to state if they wish to avail themselves of such hospitality. Communications to the manager, THE NEW AGE, as above.

Reviews.

The Life and Letters of Walter H. Page. By Burton J. Hendrick. Vol. III. (Heinemann. 21s.)

The official letters of the American Ambassador to President Wilson, just previous to and during the war, constitute the bulk of this volume. They reveal the spirit of liberal idealism in politics at its best, applied by a singularly frank and direct mind to the relations between Britain and America at that time. In few official documents does the personality of the author emerge with such attractive humour, wisdom and conviction as in these epistles of Walter Page to his political chief. If his implicit faith in political liberalism as the certain medium of democracy and liberty strikes us, with all our post-war experience, as amazingly naïve, we cannot but admire this frank diplomat's ingenuous innocence of economic realism, a matter upon which Wilson himself was only disillusioned after the Peace. But we need not be too critical on this score, for an Ambassador is presumably there just to deal with the relationships between States of a definite economic structure, and a critical knowledge of this structure would undoubtedly get in his way as a diplomat. Page's conviction that without American intervention the war would have terminated militarily with an allied defeat or at least an inconclusive peace has been hotly resented in the Press reviews, and one of them accused the compiler of this volume of falsely interpreting his subject's mind on this subject. But Page's own language is quite clear—"It is universally understood that American intervention is all that saved or can save the allied cause." This view is shared by the most independent of French military critics, M. Jean de Pierrefeu, author of "Plutarch-Mentit." Readers of THE NEW AGE will find many statements of this unblushing democrat fraught with a significance which their author did not realise, e.g., his telling the Editor of the *Economist* that the "passing of commercial supremacy to the United States will be dated in the economic histories from the Tariff Act of 1913"; his applauding the Federal Reserve Act of 1913, "an unmatched record in one year's legislation and leadership"; his assurance that "we are so big and strong and rich, that the economic and political future so clearly belongs to us." We may detect even darker streaks unconsciously blemishing the purity of Page's idealism, which throw some light on the deeper significance of this political philosophy. His conviction that the success of the allied cause means the "liberalisation of Europe" and that therefore America must get into the war, is mixed up with other motives which are clearly part of his political mentality. "For us, in addition to an increase in our trade and financial power, we shall have the Munroe Doctrine still safe, as we should not if Germany won." "If we get through this war amicably with the British, they will be more friendly to us than they have ever been, since we will have the start definitely towards financial and commercial supremacy." A footnote adds, "I should say more dependent on us, rather than more friendly to us." The desperate condition of the allied finances in 1917 is dealt with in a chapter entitled, in the words of Mr. Balfour, "The Brink of the Precipice." Mr. Hendrick, describing the initial difficulty the United States felt in assuming the obligations to J. P. Morgan and Co., amounting to \$400,000,000, carefully bids us remember that though the current expression, "the Morgan overdraft," is accurate enough, "the English use of the banking word 'overdraft' does not carry the odious meaning attached to it in this country." The terrible consequence of a failure to meet this difficulty is stated in Page's letter to the U.S. Secretary of State: "Unless we come to their rescue we are all in danger of disaster. *Great Britain will have to abandon the Gold Standard*"! (our italics). He that hath ears to hear, let him hear.

"The New Anecdotes of Painters and Painting." Compiled by Herbert Furst. (John Lane. 6s. net.)

This modest book may be read in an hour or so, but it contains more refreshment than many ambitious and lengthy works. It opens with an extract from a letter by Durer: "Let me tell you I had made up my mind to learn dancing and I have been twice to the Dancing School." There are other revealing extracts and much wisdom, from Pliny to Van Gogh. The compiler himself has a broadly sane view of art, and many of his own words stay in the memory with those of the better known.

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